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MILITARY CONSTRUCTION APPROPRIATIONS FOR 1991

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FIRST CONGRESS SECOND SESSION

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MILITARY CONSTRUCTION APPROPRIATIONS FOR 1991

WEDNESDAY, FEBRUARY 21, 1990.

DOD POLICY AND STRATEGY

WITNESS

I. LEWIS LIBBY, PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
(STRATEGY AND RESOURCES), OFFICE OF THE UNDER SECRETARY OF
DEFENSE (POLICY)

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The committee will come to order.

Good morning, gentlemen. It has been customary in past years to begin our hearing with an overview of the military construction and family housing budget. Because of the dramatic changes taking place in the world, I thought it appropriate for our first hearing to focus on some broad policy issues and what the department foresees in the way of new strategic defense posture.

For those Members who might want to discuss military construction or base closure issues, I would think that would be all right if it is addressed in a broad sense. We will have an opportunity at subsequent hearings to delve into specifics relating to military construction here and overseas.

At this point I would like to yield to Mr. Lowery for any statement he would like to make prior to asking Mr. Libby to proceed.

Mr. LOWERY. Mr. Chairman, I don't have a statement but I couldn't agree with you more. Who would have imagined at this time last year in our hearing process that such dramatic changes would have occurred in the world.

The President was absolutely right to explain it as the revolution of 1989. The confirmation of better than 40 years of bipartisan consensus in this country on a policy of containment and deterrence, and that is where the hard part begins as we try to restructure a new world for the 1990s and for the next century.

I am anxious to hear the Pentagon's vision of the future.

Mr. HEFNER. Thank you for being with us, Mr. Libby. I understand you have a prepared statement and your statement will be made a part of the record. You may proceed as you wish.

[The information follows:]

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CONSTRUCTION SUBCOMMITTEE

STATEMENT BY

MR. I. LEWIS LIBBY

PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE

STRATEGY & RESOURCES

BEFORE THE

HOUSE APPROPRIATIONS SUBCOMMITTEE

ON MILITARY CONSTRUCTION

21 FEBRUARY

Mr. Chairman, I thank you for the opportunity to appear today on the policy and strategy that underlie the Department of Defense Military Construction request for Fiscal Year 1991. This past year saw positive and fundamental changes in Europe, changes that led President Bush to call 1989 a "Year of Revolution." In times of change, communication and close cooperation between the legislative and executive branches are of particular importance. I look forward to working with your Committee, learning its views and concerns, and shedding some light on the Department's thinking as we adapt to these remarkable changes and plan for what lies ahead.

The \$9 billion 1991 MILCON request reflects a wide range of Department activities and interests both at home and abroad. Changes, both real or anticipated, in the strategic environment are an important underpinning of our thinking, and no doubt an important consideration of your own.

By far the greatest changes in the last year, indeed, one of the great strategic shifts of the last forty years, has occurred in Eastern Europe. The peoples and nations of Eastern Europe have asserted the right to determine their own future. Chairman Gorbachev's restraint, and even encouragement, has allowed them to reach their goal. The Brezhnev doctrine, under which the Soviet Union claimed the right to preserve forcibly its dominion, is moribund or dead.

Since last March, all of the leaders of the non-Soviet Warsaw Pact countries have been replaced at public demand. While the Party still rules in Bulgaria, and former communist leaders play a key role in running Romania, non-communists already head the Polish and Czechoslovakian governments. Free elections scheduled for next month in Hungary and East Germany are expected to bring new governments to power. The pace of German reunification has increased.

With these political changes have come significant military changes. All of the non-Soviet Warsaw Pact countries have announced their intentions to reduce their military forces and defense spending, and we see evidence that they are cutting forces. Czechoslovakia and Hungary have requested the withdrawal of Soviet forces from their territories. The likelihood that Warsaw Pact membership would cause Eastern European countries to support a surprise Soviet offensive to the depth of NATO is very remote, and becoming more so. Soviet planners will have little confidence of such support and might well fret for the safety of their own supply lines.

We stand on the verge of a second great change: an agreement limiting conventional forces in Europe. For decades the Soviets have maintained overwhelming forces in an offensive posture on the very edge of Eastern Europe. Unilateral Soviet reductions already underway, when completed, will reduce somewhat the

current imbalance of NATO and Warsaw Pact forces. But the implementation of a CFE agreement will introduce changes of a much more sweeping nature. Prospects for parity in key military equipment from the Atlantic to the Urals and rough parity of U.S. and Soviet forces in Central Europe represent dramatic changes. Inspection procedures under CFE offer mechanisms for reassurance that these and any further reductions are carried out and preserved.

President Bush has pushed earnestly for such an arms control agreement, taking the initiative last spring to suggest broadening treaty limited equipment in conventional force reductions talks, offering a ceiling on U.S.-Soviet personnel stationed in Central Europe, and just recently, further lowering that ceiling. The President has helped to build the atmosphere for such an agreement by clear communications with the Soviets, and by continuing a pattern of lower defense budgets, including our current budget request.

The changes underway among the non-Soviet members of the Warsaw Pact and the increasing likelihood of a CFE agreement offer prospects for increased security for NATO that are both real and, once completed, will not readily be reversed. Other aspects of developments in Eastern Europe and the Soviet Union are less certain, but also hopeful.

If we look down the road, we can envision Eastern European countries that are free of Soviet troops; that have freely-elected their leadership; and that have accomplished that most difficult task, the peaceful transition of government power to new leadership. Czechoslovakia, and to a lesser extent Poland, had successful experiences with democracy in the interwar years on which they now can draw. All the Eastern European countries will have before them the successful examples of Western European liberal democracies and the challenges these countries overcame in early post-war years. Overcoming the political and economic challenges and the ethnic and regional disputes that have long kept Eastern Europe from reaching its potential may not prove easy; but the Eastern Europeans who took to the streets for their liberation from Soviet dominance have shown their will to succeed.

East Germany, of course, presents a special case. It has already drawn heavily on the support of West Germany. The likely result of the East German elections next month is further movement toward rapid reunification. We do not yet know the precise form reunification will take. The Soviet Foreign Minister has recently said that the issue of reunification was associated with "the revival of sinister shadows of the past," requiring guarantees for all peoples. To the extent the Soviets or others hold such views, a reunified Germany that remains a member of NATO (which U.S. policy supports), should minimize distractions from peaceful progress in the region.

We have seen some positive and welcome change in the Soviet Union as well. Two of the most notable aspects of such change have already been mentioned -- Soviet attitude towards Eastern Europe and arms control. The Soviets also have undertaken political and economic reforms, although these are not as wide-ranging as those in much of Eastern Europe and their ultimate course is more difficult to predict.

As we move "beyond containment," the United States supports glasnost, perestroika, and broader Soviet reforms that lead to political pluralism and a market economy. Elections to the Congress of People's Republics from among multiple candidates, the spirit of glasnost in Supreme Soviet debates and the Central Committee's recommendation to revise Article 6 of the Soviet Constitution (which guarantees the Communist party its leading role) are remarkable changes.

On the economic side, perestroika has had equal fanfare, but less success. The economic "stabilization" program posed in December is in reality a tactical retreat. The President has engaged the Soviets on economic matters at Malta, leading to the first round of talks on a commercial trade agreement and, in the near future, an investment agreement. Unfortunately, since the Soviets have deferred radical economic reform, Soviet economic problems seem certain to grow more severe.

Economic deterioration is compounded by the different, but widespread crises loosely linked under the term "nationalities." These developments have caught not only our attention, but that of the Soviet military as well. In the Baltics, the cry for independence has been peaceful, but determined. In Azerbaijan, Armenia, Georgia, and Tadzhikistan ethnic violence has erupted. No less an authority than Chairman Gorbachev has said that much depends on ending ethnic violence.

The political, economic, and internal developments mentioned above are of note to us not only for humanitarian concerns, but also for their effect on the tenor of Soviet foreign policy and the future of Soviet military strength. The results are mixed:

-- While the Soviets have encouraged an end to repressive Communist regimes in Eastern Europe and may have shown some moderation elsewhere, they have continued significant support to irresponsible and repressive governments in Afghanistan, North Korea, Libya, and Cuba.

-- While the Soviets have shown an increased willingness to reach conventional arms control agreements, they continue to maintain conventional forces much greater than needed and to modernize systems at a rate not justified by any threat. Soviet tank production, for instance, while significantly reduced (roughly half of what it has been in previous years), continues at a rate much greater than our own. They would have to come

down a very long way before they approached conventional forces on a level with ours.

-- While a START agreement seems more likely, Soviet strategic modernization efforts will continue. By the mid-'90s, the Soviets will likely have modern, highly mobile forces, although within START constraints.

-- While indications are that Soviet defense spending decreased slightly last year after several years of increases, Soviet defense spending as a percentage of GNP -- U.S.G. estimates are 15-17%, and some others have estimated even higher -- remains extraordinarily high compared to our own. Soviet defense spending is above pre-Gorbachev levels, and the Soviets have made only limited moves toward open disclosure of their defense budgets ("military glasnost") that we have urged upon them.

-- Finally, developments in the Soviet Union reflect in part the Soviets desire to obtain the benefits of technology, not only for their economy, but in large part for their military. Indeed, a crucial element among the forces that have enabled Chairman Gorbachev to pursue reform has been the widespread recognition that the Soviets cannot currently maintain the technological pace needed to match our military capability. Unless the members of COCOM work together, Soviet access to Western militarily significant technologies could well increase. The Soviet military of the future could be in a better position to challenge our technological edge.

Thus, while we have long sought the positive developments we see today in Eastern Europe and the Soviet Union, we also face uncertainties and challenges. The reforms underway and further reforms still are clearly in the best interests of the Soviet peoples, but many uncertainties have been unleashed, many of the indications we receive are confused, and the Soviet Union that emerges at the end cannot yet be clearly seen. Even Chairman Gorbachev worries that the course he has set -- let alone the more democratic course we one day hope to see -- is not "irreversible". In General Powell's terms, "the Soviet empire may well be transforming itself into a new, benign form, or it may be taking a breather, shedding problems and solving problems, retrenching for the future. I hope for the former, but ... cannot ignore the latter."

A primary reason why we cannot ignore the twists and turns that the Soviet Union's path may take is that the Soviets will remain a military superpower, restructured and reformed perhaps, but always with the ability to put the United States and its interests at military risk. For four decades the threat posed by the Soviet Union, particularly the threat to Europe, has provided the background to our defense debate. Some see the recent changes as a signal that it is time, even past time, to change our basic strategy. Others see these developments as

still incomplete and, while acknowledging the need to adjust to these new developments, see them as reflecting in large part the success of our past strategy -- a strategy that should not yet be generally abandoned. Secretary Cheney has declared himself firmly in this second school.

For forty years we have followed a strategy of alliances, of deterrence, and of forward defense. For forty years we have recognized that we have interests far from our shores that require maritime superiority and, in key regions, a U.S. presence abroad. We have seen the need to encourage democracy abroad, and to assist others to defend themselves. By so holding this line, we have expected the advantages of democracy and free markets to emerge, to strengthen free peoples and attract the subjugated, and, finally to outpace even the most ruthless opponents of freedom. Our expectations have largely been met. These basic elements of our strategy remain valid and have received the Secretary's full endorsement.

Some elements of our successful strategy deserve special amplification here. Our network of alliances extends around the world, embracing our European and Canadian friends in NATO, our allies in the Pacific, and our allies in the Western Hemisphere. We remain a global power, with widespread interests, and our alliances are an important part of protecting those interests. Our reliance on imported oil, for example, has increased and today surpasses even troubled periods in the early '70s and '80s. Our European allies and our friends in the Persian Gulf may once again find that close cooperation is in all of our interest.

In line with these interests, we should continue our policy of forward deployments, albeit perhaps at lower levels. Forward presence in key regions around the world effectively increases the capabilities of our military and often greatly increases our influence over events of consequence to us. Our forward presence is only possible because it is in fact welcomed by our allies and friends around the world. Our presence often offers friendly nations a measure of reassurance against what might otherwise occur should we withdraw and others seize the opportunity to expand into the vacuum.

Two cases for our forward presence deserve particular note. In the Far East, the U.S. will continue to play a critical role no other regional power can fulfill. In a post-CFE Europe, too, our continued presence, consistent with our Allies' strong wishes, will be critical to maintaining a strong NATO. Maintaining a strong NATO will reassure Germany and others as reunification proceeds, and will provide an essential counterbalance to what will always be the larger and militarily stronger Soviet Union on Europe's eastern border. A strong NATO will permit the economic and political evolution of Eastern Europe to proceed with lower risk -- and with lower overall military force levels -- than were each country trying to deal

with its own security concerns and the many uncertainties which infuse the current climate. A strong NATO will also reinforce for the Soviets that their current path away from external use of force or intimidation is the proper one, and that there are no easy short cuts.

In line with our widespread interests, including out of area concerns beyond Europe, we will want to maintain forces capable of long reach and flexible enough to counter a range of contingencies. This means, in part, continued efforts to maintain our strategy of maritime superiority, of rapid response, and of forces for special operations and particular tasks, such as drug interdiction and counter-terrorism.

Finally, nuclear deterrence has been and will remain an essential element of our successful strategy. We expect a START agreement, but we also expect a modernized Soviet offensive force within that agreement. And we expect the Soviets to continue efforts for strategic defenses. Secretary Cheney has therefore reaffirmed our commitment to modernize our own strategic forces, and to continue our own efforts at strategic defense, while acknowledging that decisions on the precise shape of the post-START force are not made yet.

Secretary Cheney has noted that even sound strategies require adjustments in forces and tactics. We see today some opportunities to make such adjustments, particularly with respect to budget levels and forces committed at home or abroad to the defense of Europe.

First, we have projected for each year from '91 to '94 a real decline of minus 2% in the defense budget. If we follow this plan, by 1995 the defense budget will be down to 4% of GNP and 21% of total federal spending -- the lowest level since before WWII.

Second, we propose deactivating two Army divisions this year. If several favorable developments continue -- if we get START and CFE agreements, if Eastern European countries progress toward democracy and Soviet forces are reduced -- then we would look to consider even deeper cuts by the mid-1990's. Such cuts would include potentially three additional Army divisions (for a total of five), and the possible reduction of approximately five Air Force fighter wings. Under the same assumptions, we would be further reducing or eliminating our presence at some European bases. In connection with systems, we will close out the production line of the M1 main battle tank; we will probably do only limited production of the next generation, M1A2 model; and instead we will focus on development of the following generation, the Block 3.

Other reductions, less closely geared to European defense, also reflect a commitment to reduce forces, maintain a quality force and invest to maintain our technological edge. Thus, in

'91 the Department proposes retiring two battleships, two nuclear cruisers, and deactivating eight older submarines. We would continue to invest in the next generation submarine, the SSN-21 Seawolf. The Secretary has forwarded to Congress the nomination of a number of U.S. bases to close. Other programs, such as the B-2, ATA, ATF, C-17 and, at Congressional request, SDI, are currently undergoing special review.

These and other efforts detailed elsewhere by the Secretary demonstrate the Department's commitment to future forces that will be smaller but more mobile, more flexible, and more technologically advanced. Most important, these forces would be of high quality. They would be both CONUS-based and forward deployed. As we may encounter changes in our overseas base structure, the reach of our forces will be important.

Let me close by emphasizing some areas of high priority to the Secretary and the Department. As the Department builds down to adjust to a new strategic environment, a basic premise is that we must protect those areas that are hardest to rebuild should events so require. These include our alliances, as noted earlier, the quality of our people, and our technology base. Our greatest asset is the quality of our people. Quality forces optimize equipment, train faster and are more certain to reach their goals. Keeping those people, and keeping their edge, means we must maintain their quality of life and the quality of their training. We should reduce the size of our forces before we sacrifice quality and readiness. This puts a premium on well-designed reserve and mobilization programs. The need to maintain quality is one of two primary reasons why we have urged a steady 2% decline in defense budgets, rather than a precipitous drop. Unlike earlier periods when wars ended, no one serves today who did not ask to be in uniform. Our armed forces played a significant part in the improved world we see today; they should not be victims of their own success. Much of the MILCON request which concerns us today speaks to the quality of life of our forces.

A second area of priority is to retain our technology base. Soviet military analysts write of a coming "military-technical revolution." They compare this coming revolution to the 1920s and 1930s, when many of the systems and practices that characterize modern warfare took shape, developments such as Panzer tank operations, carrier operations, long-range bombing, and great improvements in submarine warfare. The Soviets envision a revolution not only of equipment, but of operations and doctrine. We also envision a future in which high technology weapons -- including ballistic missiles, advanced air defenses, improved armor and aircraft, and even chemical warfare -- are more common in the Third World. These threats may come even as our access to forward bases is further constrained. The ability to develop and field advanced systems and doctrines will prove critical.

As the "Year of Revolution" moves us "beyond containment," it may be useful to recall where we began. In his Pulitzer Prize winning book, "Present at the Creation," former Secretary of State, Dean Acheson, described the essence of early American political strategy:

"Its central aim and purpose was to safeguard the highest interest of our nation, which was to maintain as spacious an environment as possible in which free states might exist and flourish. Its method was common action with like-minded states to secure and enrich the environment and to protect one another from predators through mutual aid and joint effort."

Writing in 1970, at a period of detente, Acheson noted that this strategy had been criticized because its very success had led our allies to relax their efforts, partly in the hope that they were no longer necessary, and partly in the lurking belief that they were never quite so necessary as represented. Citing his own mistakes, Acheson reported how often we misconceive the true state of the world around us, and concluded:

"(A) source of instability in foreign affairs is the popular conception that, as in (clothing) fashions and automobile design, novelty and change are essential to validity and value."

Today new changes are upon us; changes that few foresaw just a year ago. We have good reason to expect that this period of change will continue for awhile, perhaps taking shapes a year from now that none of us may guess today.

As we pick our way through those changes and set new goals "beyond containment," it is worthwhile to remember that repudiating a successful past and clinging to it can prove mistakes of equal proportion.

One of America's great political philosophers, Mark Twain, advises that,

"We should be careful to get out of an experience only the wisdom that is in it -- and stop there; lest we be like the cat that sits down on the hot stove lid. She will never sit down on a hot stove lid again -- and that is well; but also she will never sit down on a cold one any more."

The trick is to be smarter than that cat -- not all the lids are hot, but not all are cold either.

STATEMENT OF MR. LIBBY

Mr. LIBBY. Thank you, sir. Mr. Chairman, I thank you for the opportunity to appear today on the policy and strategy that underlie the Department of Defense military construction request for fiscal year 1991.

This past year, as has been mentioned, saw positive and fundamental changes in Europe, changes that led President Bush to call 1989 a "Year of the Revolution." It is a phrase that I see has stuck.

In times of change, communication and close cooperation between the Legislative and Executive Branches are of particular importance. I look forward to working with your committee, learning its views and concerns, and shedding some light on the department's thinking as we adapt to these remarkable changes and plan for what lies ahead.

By far the greatest changes in the last year, indeed, one of the great strategic shifts of the last 40 years, has occurred in Eastern Europe. The peoples and nations of Eastern Europe have asserted the right to determine their own future. Chairman Gorbachev's restraint, and even encouragement, has allowed them to reach their goal.

Since last March, all of the leaders of the non-Soviet Warsaw Pact countries have been replaced at public demand. With these political changes have come significant military changes.

All of the non-Soviet Warsaw Pact countries have announced their intentions to reduce their military forces. Czechoslovakia and Hungary have requested the withdrawal of Soviet forces from their territories. The likelihood that Warsaw Pact membership would cause Eastern European countries to support a surprise Soviet offensive to the depth of NATO is very remote, and becoming more so.

We stand on the verge of a second great change: an agreement limiting conventional forces in Europe. President Bush has pushed earnestly for such an arms control agreement, taking the initiative last spring to suggest broadening treaty limited equipment in conventional force reduction talks, offering a ceiling on U.S.-Soviet personnel, and just recently further lowering that ceiling.

If we look down the road, we can envision Eastern European countries that are free of Soviet troops, that have freely elected their leadership, and that have accomplished that most difficult task, the peaceful transition of government power to new leadership.

Czechoslovakia, and to a lesser extent Poland, had successful experiences with democracy in the inter-war years on which they now can draw. All the Eastern European countries will have before them the successful examples of Western European liberal democracies and the challenges these countries overcame in early post-war years.

Overcoming the political and economic challenges and the ethnic and regional disputes that have long kept Eastern Europe from reaching its potential may not prove easy; but the Eastern Europeans who took to the streets for their liberation from Soviet dominance have shown their will to succeed.

East Germany, of course, presents a special case. The likely result of the East German elections next month is further movement toward rapid reunification.

We have seen some positive and welcome change in the Soviet Union as well. Two of the most notable aspects of such change have already been mentioned: Soviet attitude towards Eastern Europe and arms control. The Soviets also have undertaken political and economic reforms, although these are not as wide-ranging as those in much of Eastern Europe and their ultimate course is more difficult to predict.

As we move "beyond containment," the United States supports glasnost, perestroika, and broader Soviet reforms that lead to political pluralism and a market economy. Elections to the Congress of People's Republics from among multiple candidates, the spirit of glasnost in Supreme Soviet debates and the Central Committee's recommendation to revise Article 6 of the Soviet Constitution are remarkable changes.

On the economic side, perestroika has had equal fanfare, but less success. The economic stabilization program posed in December is in reality a tactical retreat.

Economic deterioration is compounded by the different but widespread crises loosely linked under the term "nationalities." These developments have caught not only our attention but that of the Soviet military as well. No less an authority than Chairman Gorbachev has said that much depends on ending ethnic violence.

The political, economic and internal developments mentioned above are of note to us not only for humanitarian concerns, but also for their effect on the tenor of Soviet foreign policy and the future of Soviet military strength. The results are somewhat mixed.

While the Soviets have encouraged an end to repressive Communist regimes in Eastern Europe and may have shown some moderation elsewhere, they have continued significant support to Afghanistan, North Korea, Libya, and Cuba, where more ossified relations are maintained.

While the Soviets have shown an increased willingness to reach conventional arms control agreements, they continue to maintain conventional forces much greater than needed and to modernize systems at a rate not justified by any threat.

While a START agreement seems more likely, Soviet strategic modernization efforts will continue. By the mid-1990s, the Soviets will likely have modern, highly mobile forces, although within START constraints.

While indications are that Soviet defense spending decreased slightly last year after several years of increases, Soviet defense spending as a percentage of GNP—U.S.G. estimates are 15 to 17 percent, and some others have estimated even higher—remains extraordinarily high compared to our own. Soviet defense spending is above pre-Gorbachev levels.

For four decades the threat posed by the Soviet Union, particularly the threat to Europe, has provided the background to our defense debate. Some see the recent changes as a signal that it is time, even past time, to change our basic strategy.

Others see these developments as still incomplete and, while acknowledging the need to adjust to these new developments, see them as reflecting in large part the success of our past strategy—a strategy that should not yet be generally abandoned. Secretary Cheney has declared himself firmly in this second school.

For 40 years we have followed a strategy of alliances, of deterrence, forward defense, of maritime superiority. We have seen the need to encourage democracy abroad and assist others in defending themselves. By so holding this line, we have expected the advantages of democracy and free markets to emerge, to strengthen free peoples and attract the subjugated, and, finally, to out-pace the ruthless opponents of freedom. Our expectations have largely been met.

Some elements of our successful strategies are of a special nature here. Alliances are an important part of protecting our interests. Our reliance on imported oil, for example, has increased and today surpasses even troubled periods in the early 1970s and 1980s. Our European allies and friends in the Persian Gulf may once again find that close cooperation is in all of our interests.

In line with these interests, we should continue our policy of forward deployments albeit at lower levels. Forward presence in key regions around the world effectively increases the capabilities of our military and often greatly increases our influence over events of consequence to us. Our forward presence is welcomed by our allies and friends around the world and offers friendly nations a measure of reassurance against what might otherwise occur.

Finally, nuclear deterrence has been and will remain an essential element of our successful strategy.

Secretary Cheney has noted that even sound strategies require adjustments in forces and tactics. We see today some opportunities to make such adjustments.

First, we have proposed for fiscal year 1991 a real decline of minus 2.6 percent in the defense budget and projected minus 2 percent annual decrease for fiscal years 1992–1995. If we follow this plan, by 1995 the defense budget will be down to 4 percent of GNP and 21 percent of total Federal spending, the lowest level since before World War II.

Second, we propose deactivating two Army divisions this year. If favorable developments continue, if we get START and CFE agreements, if Eastern European countries progress toward democracy and Soviet forces are reduced, we would look forward to even deeper cuts in the mid-1990s. Such cuts would include potentially three additional Army divisions and the reduction of five Air Force fighter wings. Under the same assumptions, we would be further reducing or eliminating our presence at some European bases.

As the department builds down, a basic premise is that we must protect those areas that are hardest to rebuild should events so require. These include our alliances as noted earlier and the quality of our people as well as our technological base.

Our greatest asset is the quality of our people. Keeping those people, keeping their edge, means we must maintain their quality of life and the quality of their training. The need to maintain quality is one of two primary reasons why we have urged a steady 2

percent decline in defense budgets rather than a more precipitous drop.

A second area of priority is our technological base. Soviet military analysts write of a coming military technological revolution. They compare this period to the 1920s and 1930s when many of the systems and practices that currently drive modern warfare took shape.

We also envision a future in which high technology weapons, including ballistic missiles, advanced air defenses, improved armor and aircraft and even chemical warfare are more common in the Third World. These threats may come even as our access to forward bases is further constrained.

The ability to develop and field advanced systems and doctrines will prove critical. As the "Year of the Revolution" moves us "beyond containment," it may be useful to recall where we began.

In his Pulitzer Prize-winning book "Present at the Creation," former Secretary of State Dean Acheson described the essence of early American political strategy: "Its central aim and purpose was to safeguard the highest interest of our nation, which was to maintain as spacious an environment as possible in which free states might exist and flourish. Its method was common action with like-minded states to secure and enrich the environment and to protect one another from predators through mutual aid and joint effort."

Writing in 1970, at a period of detente, Acheson noted that this strategy had been criticized because its very success had led our allies to relax their efforts, partly in the hope that they were no longer necessary, and partly in the lurking belief that they were never quite so necessary as represented.

Citing his own mistakes, Acheson reported how often we misconceive the true state of the world around us, and concluded: "(A) source of instability in foreign affairs is the popular conception that, as in (clothing) fashions and automobile design, novelty and change are essential to validity and value."

Today new changes are upon us, changes that few foresaw just a year ago. We have good reason to expect that this change will continue for awhile, perhaps taking shape a year from now that none of us may guess today.

As we pick our way through those changes and set new goals "beyond containment," it is worthwhile to remember that repudiating a successful past and clinging to it can prove mistakes of equal proportion.

One of America's great political philosophers, Mark Twain advises that, "We should be careful to get out of an experience only the wisdom that is in it—and stop there; lest we be like the cat that sits down on the hot stove lid. She will never sit down on a hot stove lid again—and that is well; but also she will never sit down on a cold one any more."

The trick is to be smarter than that cat. Not all the lids are hot, but not all the lids are cold.

MOTION TO CLOSE HEARING

Mr. ALEXANDER. Mr. Chairman, if I may.

Mr. HEFNER. Mr. Alexander, we will entertain a motion to close the hearing if necessary.

Mr. ALEXANDER. Mr. Chairman, I move that the Military Construction Subcommittee hearing today and five subsequent meetings, if required, be closed as necessary at the Chairman's discretion because of the classified nature of the discussion.

Mr. HEFNER. The clerk will call the roll.

The CLERK. Mr. Hefner.

Mr. HEFNER. Aye.

The CLERK. Mr. Alexander.

Mr. ALEXANDER. Aye.

The CLERK. Mr. Thomas.

Mr. THOMAS of Georgia. Aye.

The CLERK. Mr. Coleman.

Mr. COLEMAN. Aye.

The CLERK. Mr. Fazio.

Mr. FAZIO. Aye.

The CLERK. Mr. Lowery.

Mr. LOWERY. Aye.

The CLERK. Mr. Kolbe.

Mr. KOLBE. Aye.

The CLERK. Mr. DeLay.

Mr. DELAY. Aye.

The CLERK. Mr. Bevill.

Mr. BEVILL. Aye.

Mr. HEFNER. It was unanimous.

That was a very interesting statement. Your last part is sort of an old saying, like "wet birds never fly at night," and things like that. And all cats are gray at night. Very interesting.

We appreciate having you here. I think before we get to the questions, this would be a good time to go into closed session.

I don't know what questions the other Members have. Let's just play it by ear and see if we get into areas where we have to close the meeting.

I have a couple of questions. We have quite a few Members and I want to be sure that everybody gets a chance to be heard before we go to the closed session.

DEFENSE STRATEGY AND PLANNING

There are a lot of people throughout the country, and every place you go they are talking about the "peace dividend," or maybe a shift in defense strategy because of the changes in the world that you talked about, and the reduced threat. They are not just people in my district, but national defense experts who see a need for a new defense strategy, like our former Chairman of the Joint Chiefs who had interesting comments on cable the other day.

I suppose it is going to be a matter of time before we see any significant reduction, but my feeling is that we will not see the department coming forward with major changes this year in strategic or overseas-based situations until we have a START and CFE agreement.

Is that a fair statement or would you comment on any changes in strategy or priorities that may occur in the next year?

Mr. LIBBY. Yes. I don't believe anything beyond what I have said.

Mr. HEFNER. I beg your pardon?

Mr. LIBBY. Not basically beyond what I referred to in my statement.

Mr. HEFNER. I would comment on the fact that in the MilCon budget for fiscal year 1991, there is over \$250 million for the MX rail garrison for construction at three new sites, over \$117 million for continued construction at Whiteman for the B-2 bomber, and over \$1 billion for NATO and overseas construction.

I would think the committee would be reluctant to fund these programs as requested given the uncertainties that exist regarding future defense policy plans and strategy.

If the department's policy is to "wait and see," shouldn't we be deferring projects that would definitely be impacted?

Mr. LIBBY. Sir, the three projects you mentioned, the MX project in particular and the B-2 project that you mentioned, are, as you may know, under study by the department. We will have completed that study and will be able to get back to you long before mark-up. It is a commitment that Secretary Cheney made during his testimony.

It is our belief that when we finish that review, we will be able to come forward with a position which is not even tentative to the extent that it is today and therefore there would be time, to the extent we have then decided, to go ahead and proceed with those systems. Both of them fall in the area of strategic modernization.

The Secretary has noted several times in public occasions that the Soviets continue to modernize. We have seen, as I have mentioned before, many changes in the Soviet conditions in Eastern Europe and some in their military posture and conventional forces. We have not seen much change in the nuclear area.

They continue to modernize and mobilize within what we believe to be projected START restraints. We believe we should do the same.

TROOP STRENGTH IN EUROPE

Mr. HEFNER. Mr. Bush and Mr. Gorbachev recently agreed to troop strength of 195,000 for central Europe, with an additional 30,000 U.S. troops elsewhere in Europe. Could you elaborate on this agreement?

For example, where will the additional troops be stationed?

Mr. LIBBY. The agreement is one that President Bush has reached in a continued effort to push forward on arms control, to push conventional limitations in Europe as much as possible, to, as Secretary Baker would say, to lock in those changes we think we can achieve while the events are as favorable as they are.

There has been as yet no decision on where the final 30,000 outside of the Central European zone would be stationed.

PHILIPPINES

Mr. HEFNER. There is an interesting article—I have not read it fully—from the paper with respect to the Philippines. Obviously our relations are strained.

Does the Philippine government understand that the United States could opt to terminate its presence in the Philippines and seek another stable environment?

It doesn't seem to make a lot of sense to me from the standpoint of the Philippine government.

Mr. LIBBY. I would agree with you, sir. I believe that the Philippine government understands our position, which is that it is a long relationship. The bases in the Philippines serve both our interests and the Philippine interests as well as regional elements of security and we would very much like to see that relationship continue within the bounds of what we feel we can do and what is reasonable in the current budgetary light here.

Secretary Cheney has been quite explicit on this point and on what we can afford.

Mr. HEFNER. Who is bluffing? The Philippines or us?

Mr. LIBBY. It wouldn't be us, sir.

BASE CLOSURE AND REALIGNMENT

Mr. HEFNER. It seems to me they have done quite well. As for the base closures, why did Secretary Cheney choose to announce his candidates for another round of base closure and realignment when strategic plans together with final force structure changes are still in a state of flux?

Mr. LIBBY. As to domestic base closures, there is a law which only permits us to make our announcements annually when we submit the budget.

I believe the department is submitting legislation which would try to correct that situation.

Mr. HEFNER. For specific bases, but it doesn't say you have to list candidates, just potential closures, doesn't it?

Mr. LIBBY. I believe the Secretary felt himself constrained to mention those bases he had as candidates for closure. In any case——

Mr. HEFNER. Well, you——

Mr. LIBBY. It is the department's strong view that we have to take a very hard look at all of our defense expenditures.

Secretary Cheney instructed the Chiefs of the Services to look not just at force structure and weapons systems but at infrastructure and base structure.

Mr. HEFNER. I guess the problem that I have is that you leave it to the services to decide on candidates for closures or realignment. It seems to me that it would have been better if you would develop a unified strategy first of all, because the services are really in limbo as to just what the strategy will be and they have listed these candidates now and got a lot of people upset about the base closures before you know what the strategy is going to be and what the realignments will be.

It seems to me it would have been better to develop a revised national military strategy and know where you are going to go and then say what we would need, where we would need bases for people coming back from Europe, and so forth. It seems we have gotten the cart before the horse and we have a cat sitting on a hot stove at the same time.

Mr. LIBBY. It is better to have the horse before the cart. It is better to have the strategy before the decisions, and in fact I believe we have done that.

Mr. HEFNER. Couldn't we have done that? It doesn't seem to me we have done that.

Mr. LIBBY. I believe we have, sir. What we have tried to do is to pursue a strategy that considers changing circumstances, with an eye towards events not going precisely as we wish, but to build to what we hope will happen while maintaining some edge.

Not all the fine pieces of that, of the tactics under that strategy, have been put together. But the basic elements of it, the need to reduce armed forces, the need to look for a CFE agreement, those elements are included and have enabled us to reach decisions on base closures and other systems.

If I may add one point, one of the elements of that is to achieve the maximum efficiencies we can with our basing. In light of the world-changing situation and the need to accommodate efficiencies, as General Powell has testified, these base closures in particular seemed a wise and prudent move.

Mr. HEFNER. I think I know what the answer to the next question is, and I have others for the record, but I think I know the answer. How much scrutiny did the Office of the Secretary of Defense give to the announced candidates?

Mr. LIBBY. The candidates were nominated by the services, but I believe—I was not present in the office of the Secretary—but I believe he went over them very carefully.

Mr. HEFNER. Mr. Lowery.

Mr. LOWERY. Thank you, Mr. Chairman.

Although we don't have a precise, in-place sequencing, as you mentioned we are looking at five air wings and three additional Army divisions over and above the two announced this year; is that not correct?

Mr. LIBBY. That is correct.

Mr. LOWERY. So we know roughly what the sequencing will be so there is an overall plan; is that not correct?

Mr. LIBBY. That is correct, sir.

Mr. LOWERY. I guess the question I have is, what do we do? You mentioned further cuts later in the 1990s. Is that what you are looking at now in terms of where else we can make adjustments as the world complexion changes?

Mr. LIBBY. The process of looking for places to cut and economize has only just begun. It is not reaching its conclusion. The notional list of five air wings and three Army divisions should events continue in the way we wish, the Soviets out of Europe, a CFE agreement, START agreement, those sorts of developments, then we would be very much involved in looking for not just the ones you mentioned but anything else we feel would economize and make our nation's defense more efficient.

Mr. LOWERY. So what we should expect as we get further into the 1990s is a further streamlining on realignment and closure of military facilities not only in the Continental United States but around the globe?

Mr. LIBBY. Absolutely. I would expect when we have a CFE agreement we would close a substantial number, and ending our

presence or drawing down or realigning our presence at a substantial number of bases overseas.

DEFENSE STRATEGY AND PLANNING

Mr. LOWERY. Along the lines of the dramatic changes taking place, one of the criticisms has been that we are reacting to events as opposed to having an overall coherent strategy. The President's defense budget and arms control strategy have been viewed as hopelessly overtaken by events in Eastern Europe and the Soviet Union.

What exactly is the department doing to ensure that we are not just reacting to the changes but indeed we have a coherent strategy and are getting ahead of the power curve.

Mr. LIBBY. They are keeping me up late at night for one thing. We are reacting to events. We are also acting to shape events and we are also examining and re-examining the strategy we see as the way to get through this process.

The events of last fall came suddenly. They were not anticipated by everyone. But the department promptly—

Mr. LOWERY. I am not sure they were anticipated by anyone.

Mr. LIBBY. That may well be true, but I would have someone contradict me if I took that position. So we have done our best to look forward.

Events were anticipated, I might say, but certainly not the pace of them and which country would be on which day, but some people for a long time have been saying the situation in the Soviet Union is desperate and that something would have to give. In that sense, there was some prognostication of where things could go.

Mr. LOWERY. Kissinger was saying that back in the late 1960s and early 1970s.

Mr. LIBBY. Well, that proves my point.

Mr. LOWERY. Could you walk us through what process we are going through now in terms of staying ahead of this power curve, as you say?

Mr. LIBBY. There have been a number of efforts to organize and channel formally and informally the department's thinking or strategy. The Secretary has had numerous meetings with internal and outside experts on an informal basis.

The department has gone through the DPG, Defense Planning Guidance, which is an attempt by the department to set forth its strategy for the future. That document was signed out by the Secretary.

The department has gone through in the late fall a series of classified meetings on all aspects of the defense budget which you probably read about in the Washington Post.

The department is also going about major aircraft reviews that have been reported, the ATF, the ATA, the C-17, and the B-2. They are looking at SDI and, as Deputy Secretary Atwood mentioned yesterday, we will be undertaking a series of, through the spring, a series of high-level discussions and meetings in connection with a number of other major weapons systems including the Mid-etman and the Peacekeeper rail garrison.

Mr. LOWERY. How should we adjust our strategic world view in light of the speed and magnitude of what is going on over in Eastern Europe and the Soviet Union?

Mr. LIBBY. I believe we should adjust it to those places where we have seen adjustment. We should adjust it to the extent that if the adjustments are irreversible, we move in that direction with our own changes. We should lean forward and adjust for those areas where we expect changes, but carefully monitor what we see.

We should be prudent to the extent of looking at situations that we all recognize lead to uncertainties. That general prescription I believe I outlined a little bit in my opening statement in saying to the extent that a CFE agreement is reached and the Eastern Europe movement is irreversible, we should make those changes that we can for Europe.

In areas where we see less changes, such as strategic modernization, we may have to stay the course a while longer. In areas where we see change that is promising in the Soviet Union but where they are not certain and the ultimate outcome is yet unknown, we should have a measure of prudence.

CFE AND START AGREEMENTS

Mr. LOWERY. What do you expect will happen this year? Will we have a CFE and START agreement?

Mr. LIBBY. I believe so.

Mr. LOWERY. Before the fiscal year in October?

Mr. LIBBY. I believe we will have a CFE agreement this spring and at least an agreement in principle on START in 1990. I am not familiar with—

Mr. DICKS. Did you say a CFE this spring?

Mr. LIBBY. Sorry. Thank you, sir. An agreement on the major principles this spring, and they are trying to get a treaty to be ready in 1991. Thank you.

Mr. DICKS. There is no one who says that. You haven't talked to Mr. Woolsey if you think we are going to get one this spring.

Mr. LIBBY. I misspoke.

THIRD WORLD THREATS

Mr. LOWERY. Are we paying enough attention to Third World threats in our strategy? Isn't that likely to be where the largest uncertainties are in the future, and activity?

Mr. LIBBY. We are certainly devoting a lot of time to the Third World threats. As I mentioned, we are very concerned about the diffusion of high-technology weapons systems and of a chemical as well as ballistic missile technology, improved aircraft and improved air defenses. These are things we will have to take into account.

We are considering them in connection, among other things, with the work going forward on future force structure and on weapons systems such as major aircraft.

Mr. LOWERY. Mr. Chairman, I have other questions but in the interest of time, I will wait for another round.

Mr. HEFNER. Mr. Dicks, would you like to be recorded on the vote to close?

Mr. DICKS. Yes. I would like to vote for closure.

Mr. FAZIO. Not base closure.

Mr. DICKS. No, I am for base closure, and sensible reductions.

Mr. HEFNER. Anywhere in the Northeast and South.

Mr. DICKS. If you will indulge me, I am one of the few Members of Congress I think who has had a major reduction in their district, 3,000 people at the 9th Division stood down two years ago, and I didn't come here trying to get relief.

Mr. HEFNER. I understand, Mr. Dicks, and you are a great statesman for it. You have to be there to defend us against Canada and British Columbia.

Mr. DICKS. And the North Pacific, Mr. Chairman.

Mr. HEFNER. This group is in a very humorous mood but we are not getting any chuckles at all in the audience. It is a very somber group. They must know something we don't know.

Mr. Alexander.

SOVIET THREAT

Mr. ALEXANDER. Thank you, Mr. Chairman.

Mr. Secretary, for the 45 years following World War II, the centerpiece of U.S. defense policy has been based upon the perception of a threat from Communism, primarily that originated from the Soviet Union and its satellite nations.

Some would argue that the Soviet threat has been grossly exaggerated, but notwithstanding the argument pro and con, virtually everyone would agree that the rapid changes in the Soviet Union and in Eastern Europe that have taken place in the last several months, maybe even in the last several years depending on how one has observed it, represents vivid and unmistakable evidence that the cold war has ended.

A political lesson to be learned from the 45-year containment policy first articulated by the former President Harry Truman and others is that a revolutionary force cannot sustain power indefinitely by repressing the people. A statement of the late and great warrior Napoleon comes to mind when he observed, after all of his conquests, that there are two powers in the world, the spirit and the sword, and while the sword is always strong, in the end the spirit always wins out. Certainly Napoleon's observation hundreds of years ago applies to the present total failure and collapse of Communism at the direction of the Soviet Union.

We could point to numerous examples in recent days of that failure. First, a representative of Poland came to address a Joint Session of Congress assembled a couple months ago, Lech Walesa, in which he eloquently articulated the failure of that system, Communism, in Poland. Today, the President of Czechoslovakia, President Havel will echo those observations.

We can look to Lithuania, Estonia, Latvia, even Bulgaria, and there is evidence that in the Central Asian states of Azerbaijan and others, and find evidence that the Soviet empire has collapsed and that they are looking to experiences from the West in both economic and political terms in order to define their political futures.

There is no one who can argue the case, even the Secretary of Defense, that the Soviet Union is a threat to the United States under present circumstances. It is a greater threat to itself than to

the United States. It does have a large arsenal of weapons which, if it had the capacity to manage those weapons and manage world conquests, they could possibly be a threat, but certainly under a different system than the one that they now have.

Events during the last several months have demonstrated that Communism, as I said, is no longer a threat. The policy of containment begun by President Truman has worked. Now we must formulate a post-cold war military defense and even foreign policy strategy.

We must, I feel, base our defense and foreign policy on historical realities we face today, which include the disappearance of a cold war.

Admittedly, there is political instability in Eastern Europe, Southeastern Asia, even in the Soviet Union which will require consideration in formulation of our defense strategy. It is more along a political strategy foreign policy than defense policy, but nonetheless that must be given consideration.

Certainly our current examination of the nation's defense strategy must include making a review of all U.S. military bases, in the United States and, especially, those located in foreign countries. As a Member of this subcommittee for a number of years, I can say that we are very familiar with the U.S. defense deployment overseas and the cost of that defense.

I submit that it makes little sense to even study closing military bases here at home, such as the Eaker Air Force Base in Arkansas, when it appears that overseas deployment could be in for substantial reductions.

Actually, I think Secretary Cheney has freed me up to debate this issue. If he had left my base alone, I probably wouldn't be as active as I intend to be. But since my base is on the closure list, you can expect for me to be an active participant in this debate. I would have been anyway, but probably more vigorous now because of it, having been familiar with the defense policy issue for the 22 years that I have been in Congress.

I believe that overseas base reductions in U.S. armed forces will make domestic bases such as Eaker even more necessary as a vital part of the nation's strategic defense system.

It seems to me that there is a far better way of managing U.S. defense responsibilities from a number of perspectives. First of all, I agree with your statement and observation that it is better to have a strategy before you have a decision, but that to make decisions on U.S. force structure without strategy is premature and to allow the services to make those decisions without a political strategy seems to me to be irresponsible.

Some of the elements to be included in the formulation of our post-cold war policy must include defense strategy and burden sharing, especially in Western Europe and Japan and Korea, the nation's balance of payment troubles and the nation's general economic well-being must also be considered.

A better way of dealing with U.S. deployment in Western Europe would be dual basing rather than to just ignore our presence there as a component part of the issue in formulating a national defense policy. Dual basing is a method of saving money and reducing forces as well as maintaining a high level of readiness in the event

that the situation in Europe should require a U.S. military presence in order to add a level or a component, or a weight of military presence in order to achieve some political stability.

But we could bring the vast majority of U.S. armed forces and their families based on foreign soil home, base them at locations in the United States, like Eaker Air Force Base in Arkansas, then temporarily deploy the military personnel to overseas locations as needed for military training, exercises and for crisis situations. That way, the majority of the spending to support those forces will directly and clearly benefit the United States rather than foreign countries where those bases, where those forces are now located.

We can agree that defense issues are complex and we agree that the political developments in Eastern Europe and in the Soviet Union will influence U.S. defense strategy, but what we in the Congress cannot agree with the President on at this time is the wisdom of the administration's long-term or even mid-term defense strategy, which of course does not account for the end of the cold war.

We can not agree because the President has not told the Congress what it is. Perhaps the President has not told the Congress what it is because the President has not decided what it will be.

The President has told the Congress some things about the future of defense strategy. He wants \$5.6 billion more in 1991 than Congress provided for in 1990. His administration is proposing to cut, by September 30, 1991, the active military forces personnel to a level of 91,000 below September 30, 1989, and the selected reserve military component by 19,000.

The President said in his State of the Union Address on January 30 that he has proposed reducing U.S. forces in Western Europe by 93,000. That is not enough. That was the day after his administration proposed closing 35 military installations in the United States while making minimum changes in the number of overseas installations.

Later news puts the eventual number of U.S. military personnel stationed on the front lines in Europe at 195,000 with 30,000 elsewhere in Western Europe. That is 116,000 fewer U.S. personnel in Western Europe at some point in the future than the 341,000 there in 1989.

The dollars President Bush wants for 1991 appears to continue the cold war budget and despite proposed cuts in active military components by 1991, the total number of men and women in Armed Forces active and selective reserve will be 266,900 higher in 1991 than the 1980 total.

Now, all of these facts raise so many serious questions for us in the Congress, questions which I have for you if I have time based upon the allotment here this morning.

Thank you very much, Mr. Chairman. That is my statement of my concerns about the budget that is facing us, and I look forward to asking Mr. Libby some questions if we have time.

Mr. HEFNER. We will try to get to everybody for a statement and a few questions. We will start a second round if we have time.

The gentleman's five minutes have expired.

Mr. Thomas.

PEACE DIVIDEND

Mr. THOMAS of Georgia. Thank you, Mr. Chairman.

I would just like to comment on your remarks on page 11, which struck me as interesting.

The Soviet military people are writing of the tremendous change in concept of warfare and that it is something comparable to what happened in the 1920s and 1930s.

That says to me that where many of us had hoped there would be changes in Europe and there would be a chance for meaningful savings in our defense without weakening our country's security instead we are moving into a different kind of modern warfare.

You are saying that we are going into a different phase, different type, different concept of modern warfare in which we are working on Stealth bombers and defense initiatives. Even if we build down the troops and build down the number of nuclear weapons, we are looking at that as a future concept and I don't see where we can talk about a peace dividend.

We can spend more than that on this new concept than we are talking about spending in keeping bases active in Europe.

I just wonder, is that what we are saying here, that there will not be a peace dividend because we are going to be building new and different types of bizarre weapons, laser guns, et cetera?

Is that what this statement seems to infer on your part?

Mr. LIBBY. Mr. Congressman, the statement that you refer to cites what is openly written about by the Soviet military.

As an element of the threat, we feel it is our responsibility to note for you and note for our own planning what the Soviet military's emphasis is. This is not a transitory interest, but has been evident over the last several years, and looks toward the future of military warfare.

They have, I believe, as an element behind Chairman Gorbachev's ability to maintain a coalition in support of what he is doing, recognition by the military and the leadership of the Soviet Union that the Soviet system is not now capable of competing in the military technological revolution that they write about, that they need to keep pace to do over the long term to compete with free systems; that is a fact we must deal with.

It does not mean that there will not be a diminution of the Defense Department's budget.

In fact, notwithstanding his deep belief in this point, Secretary Cheney has proposed minus 2 percent for several years bringing down the budget on top of a decline in the budget since 1985.

So, yes, that is a threat.

We can't wish it away, but, no, it does not mean we will be unable to achieve significant reductions provided that the Soviets otherwise continue to pursue the path that we are hoping they will continue on, with a CFE agreement, START agreement, withdrawal of troops from Eastern Europe and other steps along those lines.

Mr. THOMAS of Georgia. Well, I had an opportunity to visit with General Galvin this summer and he and General Taylor, who is commander of the 24th Infantry Division in my district, had both gone to Russia. During that visit, they had the opportunity to walk

and review the troops, visit with the troops, look at equipment and armory and so forth.

They certainly didn't underestimate the capability of the Russian Army in terms of moving great amounts of men and equipment over vast distances in a hurry. But if I understand them correctly, they did not look at the Army in any way that was as modern and technically capable as our forces and that perhaps we have a leg up on the Soviets.

I am searching to define like everyone else, first and foremost, whether there will be a peace dividend and how it might show up.

I have a different view. We are getting off on a philosophical note this morning about the Russian threat and the aggressive nature that many of us have come to conceive of Russia in the past and the fact that that old threat might not be as great as it once was.

There are adequate threats we have to deal with, but I personally think we will go back to some older reasons for wars. They run from religious fundamentalism going on in certain parts of the world at this very time to the greed for land and greed for limited resources and as we see the global environmental threats. Perhaps even one nation or a consortium of nations may have to say to another, "You cannot completely ruin the air by the use of high sulfur content coal," which is what China is doing at this time.

So there will be adequate opportunity for confrontation. But I hope somewhere in here that the great expense we have put into defense in the past few years, which in the composite has contributed to the deficit, will finally yield dividends.

I don't see it in the current proposals. I haven't seen anyone be able to flesh this out.

It looks like we will be in a great debate on an individual basis rather than getting to a final concept of where we stand in our defense policy and what it can lead to.

So those are my concerns as a member of this committee. I thought I would share them with you.

Thank you, Mr. Chairman.

Mr. HEFNER. Mr. Kolbe?

Mr. KOLBE. Thank you, Mr. Chairman.

DEFENSE STRATEGY AND PLANNING

Mr. Secretary, I listened with interest to your statement and also to the statements of my colleagues and I believe it reflects a debate which has to take place in our Nation if we are going to have a coherent strategy.

I have been lamenting the fact that for sometime I thought we were getting the cart before the horse and spending the peace dividend before we knew what our national security needs and the threat really were.

I feel somewhat better this morning after listening to your statement. It appears there is some thinking going on in your Department and elsewhere in the Administration about the threat we face, and our security requirements.

I guess I shouldn't be so critical of you because the comments that have been made here this morning reflect Congress' own uncertainty about what our national security requirements really are.

I would take exception to my good friend who has already left Mr. Alexander—in his suggestion that no one thinks the Soviet Union is a threat any longer.

I am reminded of the theories that astronomers put forward about an imploding star, a dying star that in its final moments has a spectacular explosion.

It seems to me that when you talk about probably the second greatest military power on the earth, that if it is indeed disintegrating, this has potential dangers for us as well as a great potential benefit to the world and to the United States in terms of the reduction to our national security threat.

So I agree with you, that the threat the United States faces is certainly not past.

What worries me is there doesn't yet seem to be a coherent analysis of what that threat is.

Looking at your statement, I find it interesting that you identify the particular needs the United States has for continuing deterrence, all the kinds of things that you continue to see as a requirement for the future, then you go on to say we have projected for each year from 1991 to 1994 a real decline of 2 percent in the defense budget.

I just wonder, given the fact that you see these needs in the future, how did we come to the conclusion that we can see a 2 percent decline in each of the coming years? Why 2 percent? Why not flat? Why not 5 percent?

I am just trying to get some idea of how we have arrived at this kind of a strategy over the next few years and how that relates to the national security strategy?

Mr. FAZIO. They know why on the Budget Committee.

Mr. KOLBE. They do?

Mr. FAZIO. That stuff comes easy over there.

Mr. LOWERY. Two point six this year.

Mr. FAZIO. Really?

Mr. LIBBY. Well, first of all, let me say I appreciate your comments.

It is not fashionable these days to recognize the existence of the threat as you have and other Members have.

We think it is a serious one and that the situation needs to be considered carefully.

As to how we got to the minus 2 percent, it comes from in part a look at where we want to be at the end of all this and it comes, let's be frank, by the recognition that whatever the threat is, there are also serious budgetary reasons why the DOD has to examine itself.

Mr. KOLBE. You are saying the 2 percent is actually at a political reality. This is the best we can do. It doesn't really—maybe I am putting words in your mouth—but it doesn't really relate to the national defense strategy of the United States?

Mr. LIBBY. I think you are taking words from my mouth. I am saying there is recognition that there must be a hard look at our

resources; and secondly, recognition that there are changes and we want to look where we want to be and figure how to get there.

In connection with where do we want to be, one of the things we looked at is what types of forces will we need, do we think will be necessary to cover the period where we have this image you used of an exploding star—I might not go that far—but to cover this period where we see substantial uncertainties and to reach a point when, if events go as we would like, we are ready with the right forces at that time for that mix of threat.

Now, once you have done that, the question is how do you get down or if the case were up, but in this case down to that level of threat?

There we think it is very important that the drop not be precipitous, not come at a late minute, but be planned for and that the build-down be intelligent.

The quality of people in the military is an essential element of the military's effectiveness.

The quote earlier from Napoleon about the value of spirit, that has a lot to do with the quality of the people who signed up to be in those services. The very best people we hoped to get need to be reassured. They need to have a stable career path. They need to have the same training and readiness they have had to get them to this point where they are in excellent shape.

To do that, you need to build yourself not a precipitous or zigzag path, but a steady path that people can plan on.

That helps explain why, when you pick from one point to another point, you find you end up with a growth path or a diminution in the path we have mentioned.

CARRIER GROUPS

Mr. KOLBE. The United States is a maritime power and it seems to me in this new world we face, the need for the United States to continue to be able to project its power overseas, to protect sea lanes is going to be, if anything, increasingly important in the coming years.

I say this as someone who represents a land-locked district with no marine presence whatsoever. If there is one area that our defense forces ought to be focusing on, it is the need to be able to project this power through our Naval strategy.

I notice you do not in your comments have any suggestion of the reduction in the number of carrier groups.

There have been reports that, gee, by the end of the century, we may be able to do with six carrier groups.

I wonder what the strategy of the Defense Department is with regard to the number of carrier groups we will need to meet the missions you foresee for the rest of this century and perhaps beyond?

Mr. LIBBY. Well, this year, for instance, to maintain a level of 14 carriers, the Secretary, given that one carrier was coming in, took one out.

We are looking hard at a number of issues including carrier force structure.

As the Secretary has said, "Every time there is a crisis in the world, somebody asks me where our nearest carrier is." So they are a valuable tool for foreign policy and for our defense. They get a lot of attention, and we are spending a great deal of thought on what our carrier force structure should look like as we build down to the world we hope to see.

Mr. KOLBE. Let me end with one other question.

U.S. PRESENCE IN THE PACIFIC

Mr. KOLBE. Last month, I was in the Philippines and Singapore to look specifically at our bases over there with an eye to the base negotiations and the progress for those negotiations which will take place this year and next. The hope is that we will be able to renew our agreements there.

I have to tell you, I have come back not very optimistic at this time.

I see that the two countries are on a diverging path rather than a converging path as we move toward the critical stage of these negotiations.

I think that has been reflected in the statements and actions of the Philippine Government and Mrs. Aquino.

To answer part of the question that you presented, Mr. Chairman, I am not sure from my conversations with legislative leaders in the Philippines they are really aware of the fact that the United States and this subcommittee and this Congress might well choose, given the changed political environment, not to renew those base agreements. I think the impact on the Philippines would, of course, be a devastating one.

I would also add that it is my view after the briefings I had at CINCPAC that it would be a strategically devastating blow to us.

What do you think the United States presence in the Pacific at the end of this century might be and what our needs in that area really might be? With so much focus on Europe, not much effort has been focused on what the United States strategic needs are in the Far East.

Might you walk us through a little bit of that thinking?

Mr. LIBBY. Asia is an area of enormous importance to America. Back in 1985 or so, it surpassed Europe as our primary overseas trading partner. It is an area where we see encouraging development among the ASEAN nations, remarkable developments in Japan, some set backs in China. It is an area where we place an enormous amount of attention.

Your opening remarks about the Philippine bases indicate that it would be risky to predict exactly what our force structure would look like in the Pacific. We are committed to the region. We believe that the problem with respect to the Philippine bases should be resolved. In the end, reasonable resolution is in both nations' best interest and in the interest of the entire region.

Secretary Cheney has been emphasizing those points as he travels around the region even as we speak.

Mr. KOLBE. Mr. Chairman and Mr. Secretary, thank you.

I think this discussion this morning, while we haven't touched on specific military construction requirements, is not only useful, but

absolutely essential. I hope we will have more of this kind of discussion before we get down to the specifics on military construction.

I think it is essential that we have this kind of national debate and certainly in Congress.

Mr. HEFNER. Mr. Dicks?

DEFENSE STRATEGY AND PLANNING

Mr. DICKS. Thank you, Mr. Chairman.

Mr. Libby, you work for Mr. Wolfowitz?

Mr. LIBBY. Correct.

Mr. DICKS. Mr. Wolfowitz has been tasked, hasn't he, by the Secretary to deal with this strategy issue in the context of the six-year defense plan being developed?

Mr. LIBBY. Yes, sir, he and the chairman are both working to develop strategies for the Secretary.

Mr. DICKS. The Chairman of the Joint Chiefs?

Mr. LIBBY. Yes, sir.

Mr. DICKS. I, for one, would comment that anyone who says they could have predicted what happened last year, I think I want to be around to see who that was and see what their previous predictions were.

I think we are in a year of transition. I think fiscal year 1991 is a year in which we should be looking at the arms control situation, at what is going on in Eastern Europe, at what is going on within the Soviet Union, and I think we ought to be in a process of review of our overall strategy.

But I don't really fault the Administration for being somewhat cautious here.

I do think that leadership is still required.

Where we have been criticized is that caution seems to overdominate leadership and that at the same time we are being cautious and prudent, in looking at world events and making decisions, we still have to work on this strategy question.

What I would like to know from you is how will this unfold, how will Mr. Wolfowitz and the Chairman of the Joint Chiefs develop this strategy and what input will there be from the State Department, the National Security Council?

How is this policy going to evolve and be developed by the Administration?

Mr. LIBBY. Mr. Wolfowitz will develop the strategy and present his thoughts to the Secretary very carefully and very thoughtfully. Leadership is an important element in this time. I am not sure I agree that leadership has been only cautious.

There has been caution because, as was mentioned by not just myself, but members of the panel, there are reasons out there to be cautious.

As my written statement says, the President was quite forthcoming on conventional force reductions proposals that he made last spring and again most recently.

It is a year, as you point out, where we could not have predicted twelve months ago—that very few people predicted twelve months ago—where we sit today. I think that should not only be a source

of wonder to us, but a source of concern as to whether we can predict for sure where we will be twelve months from now.

Mr. DICKS. The Administration promised us a review on strategic weapons and we still haven't received that, and I am worried we will get mush from the Administration.

You are caught up in developing this year's defense plan and we will not get articulated what is the post war/post containment strategy of this Administration.

How is the Administration going to formulate this policy? When can we expect it and how will it be presented?

Will the President do it in a series of speeches?

Every year under Goldwater/Nichols, you have to have an update on strategy.

What are the timetables? Are there timetables for articulating the new strategy?

Mr. LIBBY. I will talk about process both inside the Department and among the Departments, the elements that you raised in the first part of the question.

There is a great deal of cooperation going on between the National Security Council, the State Department and ourselves at DOD in looking at the issues that are most important on the agenda, the issues that are down the road, the issues that are most pressing for the future.

It may be sort of a unique confluence of cooperation among the groups, but it is certainly a very sound one.

Mr. DICKS. Is there an interagency group on strategy and doctrine and tactics?

Mr. LIBBY. I don't know if there is one with that title.

I was at an interagency group last night where we were discussing European issues.

There are many interagency groups on a host of subjects.

Mr. DICKS. What about refining our military strategy? Is there an interagency group on that?

Mr. LIBBY. Yes.

Mr. DICKS. Who are the principals of that interagency task force?

Mr. LIBBY. I have trouble dealing with the question because there are several.

Mr. DICKS. You mentioned defense policy—who are the principal members of that interagency group?

Mr. LIBBY. There is a PCC process, which is a policy coordinating committee, which would be at the Assistant Secretary and Deputy Secretary level, and that includes Defense, myself; the Department of State, Mr. Seitz, although representation may vary depending on the issue at that time; the National Security Council, usually Dr. Cantor or Dr. Rice, depending on the issues.

There is also a layer above that, something called the Deputies Committee, which would include Mr. Wolfowitz, Mr. Eagleburger, and Mr. Gates.

Mr. DICKS. Are they working on refining the strategy or is this being done in Mr. Wolfowitz shop?

Mr. LIBBY. There is a triangle filled with people like myself who are trying to come up with the best ideas, pass them up so they can review them usually first within their own agency and then on an interagency basis.

There has been talk whether it is the cart before the horse or the horse before the cart, but as somebody in the street getting run over each day, I can assure you there is a great deal of work under-way.

Mr. DICKS. Has the Secretary said by such and such a date, I want to sit down and have the President, the Secretary of State, the Secretary of Defense, the head of the National Security Council review recommendations about what our new strategy ought to be?

Mr. LIBBY. There is an iterative process, over several time frames. There is the Defense Planning Guidance, a Defense Department document. There is the national security strategy document which comes out of the White House, which is an interagency effort. I mentioned that there was a series of very long discussions in the fall over every aspect of the DOD. There were briefings from people at the Department of State. There will be other discussions that Mr. Atwood announced yesterday in connection with other major elements of the Defense Department next spring in addition to the major aircraft buys coming out.

Mr. DICKS. It sounds to me like there is a lot going on, but I wonder if that is all going to coalesce into a new document which would be similar to what Paul Nitze and others developed in the late forties and fifties that laid out a new strategy for the United States.

It doesn't sound like that to me. It sounds like we are talking about procurement reform, budget reform.

How is this going to be pulled together into something that is understandable and worked out with the allies in the context of these arms control agreements?

It doesn't sound to me like we are getting there, and this is what some of us in Congress have worried about.

Maybe the Administration ought to consider naming a national commission like the Scowcroft Commission outside of the Government to work on making suggestions to the Congress and to the President about what our strategy, in fact, ought to be in the future.

For a lot of us, it seems that it is almost impossible to ask you to manage the Defense Department and at the same time look out and make the kind of policy recommendations that are necessary for the formulation of a new overall strategy, and this might be an ideal time to have a bipartisan blue ribbon group outside of the Government who could assist the Administration in formulating a new post-Cold War, post-containment policy for our country.

What do you think of that?

Mr. LIBBY. I would love all the help I can get. I will certainly take your suggestion back and discuss it with Mr. Wolfowitz.

I would like to be able to give you the name of one particular modality, one document, one speech, where everything would be pulled together. The National Security Strategy Document which will be coming out. There will be other documents coming out. It is an iterative process. There is definitely thinking along the lines that you would like.

Hopefully, we will come up with a document to satisfy you.

Mr. DICKS. Thank you.

Thank you, Mr. Chairman.

Mr. HEFNER. Mr. Fazio?

Mr. FAZIO. Thank you, Mr. Chairman.

Mr. Secretary, I want to follow up to a degree on some of Mr. Dicks' points.

It seems to me we are going to be in a period of rapid change in the world.

I think the Administration's submission of the proposed, I guess, informal base closure list is really a checkmate approach to Congress. In your context, we are far too interested in making rapid changes in procurement and R&D, so I sense that Congress will probably act less drastically on that front and perhaps less drastically on base closure as we let events take their course this year, but I am sure to a certain extent that would meet the political goals of the Administration.

It seems to me we do need a strategy before we can go forward, but it is going to be awfully difficult to put the strategy together in this changing environment we are going through without some sort of bipartisanship, which I think will be very difficult to accomplish in this particular year.

BASE REALIGNMENT AND CLOSURE

I wanted to specifically ask you though about another commission concept that has been floating around.

Chairman Aspin is about to introduce one on base closure.

In 1988, we had one that recommended a number of closures, including some that impact the members of this committee. At the present time, we are all living with those recommendations.

I know that Secretary Cheney approved of it as a Member of Congress. I am not sure what DOD's position on a new commission to review base closure would be.

Do you know offhand?

Mr. LIBBY. I believe the Secretary has stated that he did not feel the need for a commission at this time.

I think he cited the last commission itself didn't think they would need a commission next time around in its report.

Mr. FAZIO. My recollection of discussions with the last commission was that they anticipated further base closures and thought others like them might be useful in that process.

Was there an official position of the commission that they be the last commission?

Mr. LIBBY. I don't know if they said the last commission. It is my impression that that commission report did say they didn't feel it would be necessary next time around, and I believe that when the Secretary testified within the last few weeks, he mentioned that he had spoken to former members of the previous commission and they still did not feel another was needed.

Mr. FAZIO. I think there has been a certain amount of conventional analysis of Secretary Cheney's preliminary list of base closures, but it hasn't been submitted formally to Congress.

Mr. LIBBY. It is a recommendation from him sent to Congress.

Mr. FAZIO. There is no clock running on this?

Mr. LIBBY. That is consistent with my understanding—

Mr. LOWERY. My understanding is it has to go through a number of reviews, especially the environmental review process, which is currently underway at DOD, then there will be a base line to start making some decisions.

Mr. FAZIO. So at this point, it is a list of proposed base closures which has no formal effect in terms of Congress or anybody else having to react.

My point is the conventional analysis here is that the new list has been somewhat partisan in terms of the number of bases proposed to be closed in Democratic districts, which isn't that different from accusations made in the past.

When Harold Brown submitted them to Carter, Republicans said there were a lot of Republican bases on the list.

I am not trying to cast stones at Secretary Cheney. I am simply saying that Congress would probably feel more secure if some sort of objective, I know not apolitical, but perhaps bipartisan group, could review base closure in whatever context is emerging.

I understand you don't yet have a submission in the five-year plan for this budget; is that correct?

Mr. LIBBY. Yes.

Mr. HEFNER. Would the gentleman yield?

For the record here, Secretary Cheney said that no Democrat or Republican has offered up a base to be closed.

We have a volunteer. Representative Pete Stark of California has offered to close Camp Parks in his district.

That is your first volunteer—this could be a start of a revolution like we have seen in Europe.

Mr. FAZIO. Marty Martinez, a Member of my delegation, had another base—the ball is rolling.

Mr. HEFNER. You can close all in my district.

Mr. DELAY. All in mine, too.

Mr. LOWERY. None in mine.

Mr. FAZIO. I am with you.

The point is that we are going to have to close bases both at home and abroad, but it has to be done in a way that people feel is consistent with a new approach to defending this country, whether we take up the Third World cause that you outline here as part of the new strategy or whether it is simply a general reduction in force.

We know it is inevitable, but the questions that are being asked of us are why here, why now? How can we determine whether we are closing a surface ship naval base or a submarine naval base when we haven't determined what our future naval force structure will look like.

These are questions that really aren't that difficult for the layman to ask, and my conclusion has been that the Administration wanted to send Congress a wake-up call.

They wanted to slow down the head-long rush to peace dividends through reductions, and they have accomplished that.

There might even be some effort to send a message that Congress is once again dealing in the pork barrel, and putting Congress on the defensive is not in general a bad strategy for anybody in any Administration. It is kind of a nice reverse twist on the whole con-

cept of line item veto, particularly if you are going to have some close votes.

It gives people an opportunity to talk in political terms with Members of Congress whether they are talking about a Chinese student or other things.

It makes a lot of sense to give Congress a wake-up call if you are Secretary Cheney.

My question is why wouldn't the Administration propose a concept that would be fair to all and that would perhaps even give Members who are willing to face up to the requirement of base closure along with general force structure reductions an opportunity to have some rationale for those decisions so they could then explain it to their constituents?

You understand the inherently political environment in which we are operating?

Mr. LIBBY. I do now.

Secretary Cheney has considered various options on base closures, including a commission, including other steps, and decided that he was ready to proceed to receive the recommendations of the services and pass them forward and subject them to studies and debate that will go on to make decisions on them.

I don't know that that decision is irrevocable. It was a very hard effort on our part to look at all aspects of the DOD budget, and as Secretary Cheney has said, we cannot cut force structure without at some point getting into other elements as well.

OVERSEAS CONSTRUCTION

Mr. FAZIO. I can't disagree, but we haven't begun to cut force structure in significant ways because you are properly cautious about moving quickly before we know what the outcome of events in Europe is going to be, or in Asia for that matter.

But how could you really expect this committee to spend a billion dollars for overseas construction in light of this instability?

We don't have the answers that would allow us to make that kind of investment.

We could argue about Rail Garrison or bed down for B-2s, and that will be worked out in the context of a decision on whether it is important to modernize.

Right now, I see the largest political threat in the Administration in the names of Vessey and Crowe and Richard Perle, for that matter.

Putting that aside, how can you ask us to spend a billion dollars on overseas MilCon at the present time?

Mr. LIBBY. We are caught in the position of some people telling us we don't have strategy and then others say how could you have a strategy on forward deployment.

We continue to be in Asia and also in European bases.

The elements put forward are elements that we believe will be necessary and useful regardless of the precise twists of the coming time in Europe accounting for both the likelihood of reaching an agreement on CFE and also, of course, even more so on a starting implementation of that agreement.

Mr. FAZIO. Are you telling us essentially as we are being told on procurement requests that we have to stay the course until it is clear what the outcome of the talks will be; that we can't close a base in Europe or fail to enhance it if it looks in any way like we are not serious about a START agreement?

Mr. LIBBY. With regard to the requests that are going forward, these are requests which we would want just assuming that there would be such an agreement.

Mr. FAZIO. These assume an agreement. The requests would be made even with a conventional arms agreement?

Mr. LIBBY. Yes, sir.

Mr. FAZIO. We wouldn't be drawing down our forces to that point where these enhancements wouldn't be essential with regard to troop strength?

Mr. LIBBY. That is correct.

Mr. FAZIO. Thank you.

Thank you, Mr. Chairman.

Mr. HEFNER. People are beginning to file into the House chamber for the Joint Session, and we have two more Members to ask questions, and we wish to not have to come back this afternoon.

Mr. DeLay?

Mr. DELAY. I will defer to the Chair.

Mr. HEFNER. I am prepared to stay here.

I would like to hear the president of Czechoslovakia, but I can forego it and these gentlemen are here. I am prepared to stay until we finish.

Mr. DELAY. I have no questions, Mr. Chairman.

Mr. HEFNER. Mr. Coleman?

DEFERRALS

Mr. COLEMAN. There was an article in the paper this morning concerning the deferral. I have just seen a message from the President with respect to deferrals and the list that he gave the Congress.

There is a lot of military construction in there, so it might indeed be better to submit the list of military construction projects to be defended for the record. It might be better to have not only Mr. Atwood, but the Secretary of Defense himself to answer these questions.

I happen to hold a very different understanding than the reporter in this morning's paper, who says that the Administration has decided to defer or reallocate approved defense spending.

I would call that mandated spending. We are going to get down to the issue, hopefully not in the courts, but perhaps, of who is right, what it means, and what the Budget Act meant when they passed it back in 1974.

If we can get a response in the next month or so, it would be helpful because we are going to have to begin our mark-ups.

We have a lot of those issues to deal with.

Mr. LIBBY. I have not been working with lawyers on this issue, Mr. Coleman.

Mr. COLEMAN. Have you been in meetings on this issue prior to this morning?

Mr. LIBBY. No.

Mr. FAZIO. It would be better to submit the questions.

BURDENSARING

Mr. HEFNER. You are asking for a billion dollars in overseas construction. I think it is going to be difficult because of the changes in Europe. This committee has always been one that has addressed burdensharing long before people were talking about it. It is going to be difficult, But we must press forward to ask European countries for more burdensharing. I think it is going to be very difficult to get the Congress to go along with these kinds of allocations, especially when you are closing bases in this country.

It is going to be a very interesting situation.

We thank you for coming and the committee stands adjourned.

[CLERK'S NOTE.—Questions for the record submitted by Chairman Hefner.]

Question. Is it possible that further troop strengths can be bargained under the umbrella of CFE talks?

Answer. Just a short time ago NATO and the Warsaw Pact reached agreement on US and Soviet Stationed forces limits in Europe based on the President's recent manpower initiative. Those agreed limits—195,000 ground and air personnel for the United States and the Soviet Union each in Central Europe and 30,000 additional personnel for the US only outside Central Europe—represent an important achievement in the CFE negotiations and in our view close out a central contentious issue in the talks. We do not foresee a need to amend these agreed ceilings and remain focused on the challenging task of completing negotiations on other outstanding issues under discussion in Vienna.

Question. When do you expect the CFE talks to be completed?

Answer. We are aiming for a CFE treaty in 1990. Although this is an ambitious timetable, we believe it can be met. There is no question that much work remains, but significant progress has already been made.

Question. Secretary Cheney has testified that eventually he will be recommending closure of as much as 50 bases overseas. Do you expect that we will be receiving your recommendations for overseas base closures this year?

Answer. Other than the overseas closures proposed by the Secretary in January of this year, additional closures are likely to come from the European Theater as a result of conventional force reduction agreements. In recent testimony, General Galvin, the Commander-in-Chief, U.S. Forces, Europe stated that considerable study has gone into recasting the U.S. force structure in Europe based on the President's proposal for a 225,000 troop ceiling (195,000 in the Central Region). That study, which will include a list of the installations that will be affected, is expected to be submitted for approval to the Secretary of Defense in March 1990. General Galvin noted that up to 50 Army installations could be closed along with some 30 Air Force installations contingent upon a negotiated Conventional Forces in Europe (CFE) agreement. That study does require the Secretary's review and approval and, cur-

rently, there is no estimate of when the study or list of installations would be released.

Question. How sensitive is the Department to minimizing the economic impact of communities affected by base realignments or closures? For example, deactivation of the second armored division at Fort Hood, Texas has been announced. Is it possible that you might backfill Fort Hood with certain realignments from Europe? If so, shouldn't that be carefully planned to minimize the economic impact? (The same holds true with Fort Dix, which will be reduced to semi-active status.)

Answer. The Department of Defense helps communities respond to installation changes that cause negative impacts beyond their abilities to adjust. Since 1961, the Department's Office of Economic Adjustment (OEA) has assisted more than 400 communities facing the closure of an installation. Most of them successfully converted the former bases to new job-creating businesses and other activities; they now have stronger, more diversified economies than when the bases were open.

At this point, specific restationing plans are not known. However, OEA could assist communities facing uncertainties like Fort Hood and Fort Dix in dealing with any upcoming events. The OEA process assists communities in organizing planning and implementing strategies to deal with future changes. This would be a contingency-based process to deal with uncertainty.

Question. Congressman Stark of California has recommended closure of Camp Parks in his district. Does the Department support the closure of Camp Parks?

Answer. The Army inquiry into long-term viability of Reserve Forces training at Camp Parks, California, is underway. The development of an Army position on the future of the installation is expected to take at least an additional five months. In the meantime, all real property development or expansion at the camp has been placed on hold.

Question. In connection with the START talks, are mobile ballistic missiles on the table for negotiation?

Answer. For a number of years the U.S. position in START had been that mobile ICBMs should be banned because of the severe verification problems they present. This U.S. position was criticized by some as an impediment to the negotiations because the Soviets were deploying both road and rail-mobile ICBMs, and it was argued that the Soviets would not agree to a Treaty that forced them to eliminate their two most modern and survivable ICBM systems. Moreover, a ban on mobile ICBMs would prevent the U.S. from fielding such systems to increase the survivability of our ICBM force. Last fall, just prior to the Wyoming meeting of Secretary of State Baker and Soviet Foreign Minister Shevardnadze, the U.S. announced that we would drop our ban on mobile ICBMs if the Congress funded both U.S. mobile systems. When the Congress did fund both systems, the U.S. withdrew its ban and indicated that mobile ICBM systems would be allowed under START, but that number of mobile warheads allowed under the U.S. position would be limited.

The U.S. and the Soviet Union have not yet agreed upon what limitations should be placed on the number of mobile ICBM war-

heads, and what constraints should be placed on these ICBMs to ensure the effective verification of the limitations placed on them.

Question. I understand that the Department is preparing a five year plan, soon to be submitted to Congress. What assumptions will the Department make with regard to mobile missiles in developing a five year plan?

Answer. The five year plan will assume that the Soviets will continue to have a significant portion of their ICBM forces deployed in a mobile basing mode and that a START agreement will permit the deployment of limited numbers of these systems.

DEFERRAL/TRANSFER FOR MI TANKS

Question. The President has proposed a deferral of \$71,802,000 in FY 1990 funds that we appropriated for the Army National Guard, the Air National Guard, and the Army Reserve. The basis for this deferral was insufficient authorization to execute the amounts appropriated for FY 1990. For the Reserve Components, don't prior year excess authorizations remain available indefinitely? What is the amount of such authorization for each of the Reserve Components?

Answer. Prior year excess authorizations do remain available for an indefinite period of time. For the Army National Guard, the Air National Guard, and the Army Reserve, authorizations lagged behind appropriations by \$13.6 million, \$28.7 million and \$214.1 million respectively. Therefore, no excess authorizations were available for projects in FY 1990.

DOD STRATEGY AND POLICY

Question. Please submit for the record a copy of Program Budget Decision 819, whereby the Office of the Secretary of Defense directed the Services and the Reserve Components to defer a total of \$91,152,000 and to cancel construction projects that were specifically directed by Congress.

Answer. Program Budget Decisions are internal working papers, and as such, are not distributed outside of the Department's internal budget review.

CONSTRUCTION MORATORIUM

Question. Please submit for the record a copy of the memorandum signed by Secretary Cheney on January 24, 1990, which imposed a moratorium on Military Construction contract awards through April 30, 1990.

Answer. A copy is attached as requested.



THE DEPARTMENT OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

January 24, 1990

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Military Construction Moratorium and Review

This is to direct that no new Military Construction contracts financed by the Military Construction Appropriations be awarded and no options under such existing contracts be exercised, effective immediately and ending April 30, 1990. This includes contracts for architectural and engineering design services. However, contracts may be awarded and options exercised:

- (1) To the extent the United States has a legal obligation to do so under a statute, treaty, or international agreement;
- (2) To comply with the requirements of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (P.L. 100-526); or
- (3) To meet urgent requirements, upon the approval of the Deputy Secretary of Defense.

This moratorium will permit the Department to further exercise careful stewardship of taxpayer funds devoted to Military Construction, in light of the coming changes in the force structure and disposition of the U.S. Armed Forces.

Further, this is to direct you to review your plans for Military Construction, determine whether they remain appropriate in light of recent planning, programing and budgeting decisions, and report the results of your review and your revised Military Construction plans to the Under Secretary of Defense for Acquisition and the Comptroller of the Department of Defense by April 16, 1990.

The Under Secretary of Defense for Acquisition may issue such instructions as may be necessary to implement this memorandum.

D. L. Cheney

DEFERRAL/TRANSFER FOR MI TANKS

Question: Please submit for the record a list of all exemptions from this moratorium that have been requested to date, and the disposition of the requests.

Answer: The following projects have been requested for exemption from the moratorium. Projects approved by the Secretary of Defense are identified by an asterisk. All other projects are in the process of review.

Communication Facility—DCA.
 Planning & Design—DCA.
 Presidential Emergency Fund (4 projects)—DoD.
 DMA Aerospace Center, St. Louis, MO—DMA.
 Survey Support Facility, Cheatham Annex, VA—Navy.
 Planning & Design (30 projects) Hurricane Hugo Damage—Navy.
 Phase 1, Naples Naval Support Activity*—Navy.
 MCRD Messhall Upgrade, San Diego, CA—Navy.
 Harpoon Missile Magazine, Adak, AK—Navy.
 Aircraft Direct Refueling, Adak, AK—Navy.
 BEQ Addition, Adak, AK—Navy.
 Fleet Combat Zone Hospital, Adak, AK—Navy.
 Transmitter Facility, Niscemi, Italy—Navy.
 Unspecified Minor Construction (9 Projects)—Navy.
 Fire Fighting Training Facility, Pearl Harbor, HI—Navy.
 Family Housing Planning & Design, Keflavik, Iceland—Navy.
 Gravity-Tolerance Improvement Program, Lemoore, CA—Navy.
 Land Acquisition (litigation action), Dixie Target, TX—Navy.
 Land Acquisition, Green Bay, WI—Navy.
 Planning & Design—Army.
 Company Ops Fac, Ft Bragg, NC—Army.
 Free Fall Simulator, Ft Bragg, NC—Army.
 Aircraft Maint Hanger, Ft Campbell, KY—Army.
 Training Complex, Classified U.S.—Army.
 Flight Simulator, Wiesbaden AB, Germany—Army.
 Chapel, Ft Stewart GA—Army.
 Family Housing New Const—200 units, Heleman, HI—Army.
 Family Housing New Const—100 units, Heleman, HI—Army.
 Family Housing New Const—40 units, Schofield Bks, HI—Army.
 Family Housing New Const—272 units, Ft Leavenworth, KS—Army.
 Armory, St Thomas, V.I.—Army.
 Organizational Maint Shop, St Thomas, V.I.—Army.
 Armory, Grants, NM—Army.
 Armory, Santa Rosa, NM—Army.
 Armory, Tucumcari, NM—Army.
 Land Acquisition, Waynesboro, MS—Army.
 Land Acquisition, North Canton, OH—Army.
 Land Acquisition, Raleigh-Durham, NC—Army.
 Communication Fac, Ft Richardson, AK—Army.
 Physical Fitness Center, Ft Wainwright, AK—Army.

CONSTRUCTION MORATORIUM

Aircraft Apron, Ft Drum, NY—Army.
 Aircraft Fuel Fac, Ft Drum, NY—Army.
 Aircraft Hangers, Ft Drum, NY—Army.
 Airfield Operations Facs, Ft Drum, NY—Army.
 Scout Armory, Noorvik, AK—Army.
 Scout Armory, Tununak, AK—Army.
 Scout Armory, Ft Wainwright, AK—Army.
 Organizational Maint Shop, Showlow, AZ—Army.
 Armory, Camp Ripley, MN—Army.
 Facility Upgrade, Palmerola AFB, Honduras (FY 1988)—Army.
 Facility Upgrade, Palmerola AFB, Honduras (FY 1989)—Army.
 Aircraft Maint Shelter, St Croix, V.I.—Army.
 Logistical Warehouse, St Croix, V.I.—Army.

Combined Spt Maint Shop, St Croix, V.I.—Army.
 Administrative Bldgs, St Croix, V.I.—Army.
 Wartime Host Nation Support (FY 1988–FY 1990)—Army.

CONSTRUCTION MORATORIUM

Question. Why has no deferral message been submitted to Congress for this 90-day impoundment of funds?

Answer. The Department does not consider the moratorium as an impoundment of funds. The Military Construction funds have been apportioned and are not being withheld from obligation in anticipation of rescission. Instead, the moratorium is intended to permit the Department to exercise careful stewardship of Military Construction appropriations in light of the coming changes in the force structure and disposition of the U.S. Armed Forces. These programmatic delays are encountered on any number of projects on a continuing basis and projects are routinely used as sources of funds for reprogrammings, etc. These actions do not represent deferrals or impoundments; therefore, the Department fails to see how the scope of the action modifies the concept of what is or is not considered an impoundment.

PROJECTS NO LONGER REQUIRED

Question. Are there any projects requested in the budget that are no longer required, due to base closure, bilateral or multilateral negotiations, or other reasons? If so, please provide a list of such projects (including family housing improvements).

Answer. There are no projects included in the budget that would be jeopardized by approved base realignments/closings or current bilateral and multilateral negotiations. There are projects in the budget that would be affected by the second base closure list, if approved; however, at this juncture it would be premature to try to divine what those projects will be since the study is not due to be completed until April.

Question. Please provide for the record an object and sub-object class display of anticipated expenditures in the Base Realignment and Closure Account for fiscal years 1990 and 1991.

Answer. The following are the expenditures expected in fiscal years 1990 and 1991:

BASE CLOSURE DOD FINANCIAL SUMMARY

(In millions of dollars)

	Fiscal year —	
	1990	1991
One-time implementation cost:		
Military construction	405.5	670.6
Family housing:		
Construction		38.5
Operations	4	4
Operation and maintenance	56.9	131.9
Military personnel	6.2	13.9
Other	11.0	50.2
Homeowners Assistance Program	20.0	11.0
Total cost	500.0	916.5

LEASE-PURCHASE (10 USC-2812)

Question. Last year's authorization bill expanded the Department's authority to enter into lease-purchase agreements for facilities, and stated Congressional intent on how to "score" such projects. Has the Office of Management and Budget agreed that budget authority and outlays will be limited to the amount of the annual lease payment?

Answer. The issue of scoring is still under consideration.

Question. Why hasn't the Department sought to further expand this authority, to include lease-purchase of family housing units?

Answer. We have not sought to expand the lease-purchase authority to include family housing because other means of acquiring housing may be preferable. These include the military construction, build-to-lease and rental guarantee programs we now have.

GREATER PITTSBURGH ANG BASE

Question. Language included in the FY 1987 Appropriations Act showed clear intent to provide four annual funding increments for an access road project for the Air National Guard. Why did the Department fail to include the fourth and final increment in the FY 1991 budget?

Answer. The fourth increment for an access road to the airport in the Greater Pittsburgh area was not included in the FY 1991 budget to allow funding of higher priority projects. While the Air National Guard received some benefits from this transfer of funds to the Department of Transportation, the availability of resources for projects of this type have been severely curtailed in light of more urgent needs.

TROOP HOUSING

Question. Testimony before the Committee shows that there was a deficit of 338,000 troop housing spaces seven years ago. What is the current deficit, and how many spaces are included in the fiscal year 1991 budget?

Answer. Our current records show a deficit of 210,000 units. This will no doubt be affected by the current force structure changes under consideration and could be affected by our ongoing study of space and quality standards for our unaccompanied personnel. The fiscal year 1991 request includes new construction for 5,131 people and renovated space for an additional 2,854 people.

GENERAL PROVISIONS

Question. Explain why the Department is recommending that the following general provisions not be included in the 1991 bill:

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1990

- Sec. 109. Indian Ocean Dredging
- Sec. 112. NATO/Japan Architect and Engineer Contracts
- Sec. 114. Construction for Proposed Military Exercises
- Sec. 118. Plans for NATO/Japan Burdensharing
- Sec. 120. Relocation of 401st Tactical Fighter Wing
- Sec. 124. Pentagon Annex Planning and Design
- Sec. 125. Pay Increase Absorption
- Sec. 126. Relocation of Yongsan Garrison, Korea
- Sec. 127. Sales of Land in Hawaii

Answer. With regard to sections 118, 125 and 127, these provisions represent a one-time requirement or have placed a standing prohibition and, as a consequence, are no longer required.

With regard to section 114, the desires of Congress are known and procedures have been established to comply with these wishes. A statutory requirement is not necessary.

With regard to the balance of the provisions, the Department feels it is unnecessary to statutorily prohibit or require certain actions since it severely limits our options should circumstances change or unique opportunities present themselves. For these reasons, the administration has requested deletion of these provisions.

Question. Provide for the record a list of prefinanced NATO-eligible projects included in the fiscal year 1991 budget request?

Answer. There is one NATO-eligible project at Incirlik, Turkey: Alter Munitions Storage Facility—\$4.95 million. Prior to the determination of NATO eligibility, the U.S. used national funds to begin the project. The contract was awarded to the Bechtel Corporation of California. The NATO Infrastructure program has now begun programming the remainder of the requirements including the recoupment of U.S. funds previously expended. This project is required to ensure that sufficient funds are available to make the necessary progress payments to the contractor until adequate NATO funds are authorized. If NATO funds are available sooner, the project will be deobligated—if not, then recoupment will be included in the next annual NATO Infrastructure program. Three other alter munitions storage projects in Italy (Ghedi and Rimini) and the United Kingdom (RAF Lakenheath) have been withdrawn from the budget. The \$3.9 million request for Fleet Hospital #14 at Lanark, England is the U.S. share of a conjunctively funded contingency medical facility. The NATO share of the project is \$12.4 million and will be included in the 1991 Infrastructure Program.

INFLATION RATES

Question. Provide for the record the inflation factors used in formulating the Fiscal Year 1991 Military Construction budget.

Answer. The FY 1991 inflation factor is 3.9.

ARCHITECT AND ENGINEER LIABILITY

Question. What actions were taken in fiscal year 1989 to seek A&E liability for design deficiencies?

Answer. In Fiscal Year 1989, the Naval Facilities Engineering Command recovered \$0.4 million on 54 cases settled. The Corps of Engineers recovered \$2.7 million on 59 cases, this larger amount was heavily influenced by three particularly large cases.

We continue to hold our contractors accountable for damages. In addition, we are increasing emphasis on selecting the architectural and engineering firms that have consistently provided outstanding performance. The object of this policy is to minimize the instances of damage due to faulty design and it seems to work. The Construction Industry Institute notes that the average rework on industrial projects in this country's building industry exceeds 12 percent. The Department of Defense's record is half of that norm.

NON-APPROPRIATED FUNDS

Question. Provide for the record the estimated costs by state, Service and project of all non-appropriated funded construction over \$500,000 in fiscal year 1989. Also include the lump sum total of all projects between \$200,000 and \$500,000.

Answer. The estimated lump sum total costs by Service of all non-appropriated funded construction \$500,000 and over, and between \$200,000 and \$500,000 in fiscal year 1989 are summarized in the following table.

[In thousands of dollars]

	\$500,000 and over	\$200,000 to \$500,000	Total
Army	236,237	28,642	264,879
Navy	66,250	2,961	69,211
Marine Corps.....	13,746	1,477	15,223
Air Force	116,730	20,098	136,828
Total	432,963	53,178	486,141

The estimated costs by state, Service and project of all non-appropriated funded construction over \$500,000 in fiscal year 1989 are attached.

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
AUSTRALIA	Woomera Air Station	Multipurpose Recreation Bldg	2,400
AZORES	Lajes Field	Fast Food	0
GERMANY	Anderson Barracks	Open Dining Facility NCO/EM	2,250
GERMANY	Augsburg	Commissary Warehouse Addition	2,350
GERMANY	Ayers Kaserne	Branch Exchange (Convenience)/Gas	1,300
GERMANY	Babenhausen Kaserne	Community Club	1,900
GERMANY	Ben Franklin Village Hsg	Commissary Extension	3,050
GERMANY	Ben Franklin Village Hsg	Expand Shopping Center	5,500
GERMANY	Ben Franklin Village Hsg	Youth Center	1,700
GERMANY	Bitburg AB	Fast Food	0
GERMANY	Blink Family Housing	Exchange Branch (Foodland)	720
GERMANY	Carl Schurz Kaserne	Multiple Sports Complex	2,300
GERMANY	Dexheim	Fast Food	0
GERMANY	Fulda	Fast Food	0
GERMANY	Garmisch	AFRC	65,000
GERMANY	Giebelstadt Army Airfield	Youth Center	1,100
GERMANY	Hahn Air Base	Shopping Center	8,300
GERMANY	Kirchgoens	Fast Food	0
GERMANY	Kirchgoens Subcommunity	Skill Dev Center/Auto Craft	860
GERMANY	Lucius D. Clay Kaserne	Shopping Center	3,450
GERMANY	Lucius D. Clay Kaserne	Multiple Sports Complex	1,150
GERMANY	Mainz Military Community	Youth Center	1,150
GERMANY	Hathan Hale QM Area	Commissary Warehouse Addition	1,350
GERMANY	Paul Revere Village	Fast Food	0
GERMANY	Ramstein AB	Temporary Lodging Facility	2,000
GERMANY	Ramstein AB	Add/Alter Youth Center	2,000
GERMANY	Reese Barracks	Branch Exchange (Convenience)	1,150
GERMANY	Rhein Main AB	Fast Food	0
GERMANY	Rheinberg Kaserne	Main Exchange Retail Store	2,900
GERMANY	Smith Barracks	Commissary Warehouse Addition	1,750
GERMANY	Soesterberg AB	Add/Alter - Commissary	850
GERMANY	Vilseck Subcommunity	Community Club	4,700
GERMANY	Vogelweh AB	Commissary	9,900
GERMANY	Wolfgang Kaserne	Gas Station/Car Wash	1,000
GREENLAND	Thule AB	Add/Alter Consolidated Open Mess	1,300
GUAM	Andersen AFB	Branch Exchange	2,100
GUAM	Andersen AFB	Add-Merchandise Processing Area-MPA	560
GUAM	Andersen AFB	Temporary Lodging Facility	2,100
GUAM	NS Guam	Fast Food	0
ICELAND	NS Keflavik	Fast Food	0
ITALY	NAVSUPOff, LaMaddalena	Exchange Retail Store/Commissary	697
ITALY	NAVSUPOff, LaMaddalena	Exchange Retail Store/Commissary	1,138

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
JAPAN	Camp Zama	Care Care Center	1,050
JAPAN	US Flt Act, Yokosuka	Exchange Flt Support Facilities	1,250
KOREA	8th Army Retreat Ctr	Activation Mini-Mall	1,550
KOREA	Camp Henry (Taegu, Korea)	Skill Development Ctr/Arts&Craft	770
KOREA	Camp Humphreys	Skill Development Ctr/Auto Crafts	700
KOREA	Camp Red Cloud	Branch Exchange (Convenience)	550
KOREA	Camp Sears, CFA	Open Dining-Consolidated	700
KOREA	Camp Walker (Taegu, Korea)	Skill Development Center/Auto Crafts	500
KOREA	Camp Walker (Taegu, Korea)	Commissary Addition	1,550
KOREA	Camp Walker (Taegu, Korea)	Officers Club/Community Golf Club	1,950
KOREA	Osan Air Base	NCO Open Mess	2,950
KOREA	Osan Air Base	Add/Alter Youth Center	820
KOREA	Osan Air Base	Add/Alter Golf Course	2,150
NETHERLANDS	Schinnen Emma Mine	Bowling Center	1,950
SCOTLAND	NSGA, Edzell	Navy Lodge	1,350
SPAIN	NS Rota	Fast Food	0
TURKEY	Incirlik AB	Consolidated Open Mess	4,300
TURKEY	Incirlik AB	Fast Food	0
UK	RAF Lakenheath	Fast Food	0
UK	RAF Mildenhall	Fast Food	0
UK	RAF Upper Heyford	Fast Food	0

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
AK	Elmendorf AFB	Add/alter Service Station	540
AK	Elmendorf AFB	Fast Food	0
AK	Elmendorf AFB	Outdoor Recreation Pavillion	1,150
AK	Elmendorf AFB	Outdoor Recreation Operations AC	1,150
AK	Fort Richardson	Shopping Center Alteration	2,250
AK	Fort Richardson	Fast Food	0
AK	Fort Wainwright	Skill Dev Center Auto/Craft	2,750
AK	Fort Wainwright	Bowling Center Addition	1,800
AK	Fort Wainwright	Package Beverage Store	1,630
AK	Fort Wainwright	Winter Recreation Area Expansion	3,650
AK	Fort Wainwright	Fast Food	0
AL	Fort McClellan	Skill Dev Center/Arts & Craft	1,450
AL	Fort Rucker	Golf Course and Club House	1,650
AL	Fort Rucker	Fast Food	0
AL	Maxwell AFB	Add/alter Youth Center	950
AR	Blytheville AFB	Fast Food	0
AR	Little Rock AFB	Fast Food	0
AZ	Luke AFB	NCO Open Mess	3,200
AZ	Williams AFB	Fast Food	0
CA	Fort Irwin	Youth Center	1,700
CA	Fort Ord	Branch Exchange (Convenience)/Gas	1,100
CA	Ford Ord	Expand Shopping Center	12,000
CA	MC Log Base, Barstow	Hobby Shop Auto/Arts & Craft	990
CA	MCB, Camp Pendleton	Fast Food Mall	2,548
CA	MCB, Camp Pendleton	Replace MCX Fil Sta-Chappo (22)Area	555
CA	MCB, Camp Pendleton	Facility Study, Auto Hobby Shop	2,500
CA	MCB, Twentynine Palms	Fast Food	1,433
CA	MCB, Twentynine Palms	Installation Restaurant	1,450
CA	Mather AFB	Fast Food	0
CA	Mather AFB	Youth Center	1,400
CA	McClellan AFB	Add/Alter Youth Center	1,600
CA	NAV Sta, Mare Island	Fast Food	0
CA	NCBC, Port Hueneme	Fast Food	0
CA	NAS, Lemoore	Fast Food	0
CA	NAS, Long Beach	Fast Food	0
CA	NAS, Miramar	Fast Food	0
CA	NAS, Moffett Field	Fast Food	0
CA	NAS, North Island	Multi Food Court	1,200
CA	NAS, North Island	Fast Food	0
CA	NAS, Point Mugu	Fast Food	0
CA	Navy, Hospital, Oakland	Navy Lodge	1,800

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
CA	NSGA, Skaggs, Island	Combined Club/Community Center	1,800
CA	NAS, San Diego	Fast Food	0
CA	NAS, San Diego	Fast Food	0
CA	NS, San Diego	Multi Food Court	1,200
CA	NS, San Diego	Navy Lodge	5,425
CA	Nav Tgn Ctr, San Diego	Navy Exchange Laundry Plant	2,750
CA	NAS, Alameda	Navy Lodge Addition	6,500
CA	NAS, Moffett Field	Branch Commissary Store	8,500
CA	Norton AFB	Add/Alter Shopping Center	3,000
CA	Pac Msl Tst Ctr, Pt. Mugu	Recreation Beach Lodge	1,400
CA	Presidio of Monterey	Fast Food	0
CA	Sierra Army Depot	Guest House	1,050
CA	Vandenberg AFB	Fast Food	0
CO	Lowry AFB	Add/Alter Branch Exchange	760
CO	Peterson AFB	Softball Field Complex	720
CT	NSB, New London	Fast Food	0
DE	Dover AFB	Fast Food	0
FL	Eglin AF Aux Field No. 9	Temporary Lodging Facility	1,100
FL	Eglin AF Aux Field No. 9	Commissary	5,800
FL	Eglin Auxiliary Field #9	Fast Food	0
FL	NAS, Pensacola	Fast Food	700
FL	NAS, Whiting Field	Fast Food	0
FL	NTC, Orlando	Fast Food	0
FL	NCSC, Panama City	Bowling Center	1,300
FL	NAS, Jacksonville	Expand/Modernize Enlisted Club	1,600
FL	NS, Mayport	Navy Lodge	3,720
GA	Fort Benning	Expand Shopping Center	3,300
GA	Fort Benning	Package Beverage Store	780
GA	Fort McPherson	Fast Food	0
GA	Fort Stewart	Branch Exchange (Convenience)/Gas	860
GA	Moody AFB	Fast Food	0
GA	NSCS - Athens	Fast Food	0
HI	Fort Shafter	Skill Development Center/ Arts & Craft	2,900
HI	Hickam AFB	Add/Alter - Credit Union	1,500
HI	NAS Barbers Point	Fast Food	0
HI	NS, Pearl Harbor	Fast Food	0
HI	Nav Sta, Pearl Harbor	Commissary Store Expansion	3,200
HI	Schofield Barracks	Branch Exchange (Convenience)/Gas	1,300

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
IL	Chanute AFB	Fast Food	0
IL	NTC, Great Lakes	Multi Food Court	1,200
IL	NTC, Great Lakes	Multi Food Court	1,200
IL	NTC, Great Lakes	Bowling Center Addition	2,800
IN	Grissom AFB	Fast Food	0
KS	Fort Leavenworth	Package Beverage Store	530
KS	McConnell AFB	Arts/Crafts/Auto Skill Development Center	1,300
KS	McConnell AFB	Fast Food	0
KY	Fort Campbell	Athletic Facilities-Outdoor	3,100
KY	Fort Knox	Outdoor Equipment Issue Facility	680
LA	Fort Polk	Branch Exchange (Convenience)/Gas	960
LA	Fort Polk	Expand Branch Exchange (Convenience)/Gas	700
LA	Fort Polk	Package Beverage Store	810
MA	Fort Devens	Commissary	8,200
MA	Hanscom AFB	Fast Food	0
MD	Aberdeen PG	Skill Development Center/Auto Craft	590
MD	Aberdeen PG	Gold Club House	810
MD	Andrews AFB	Auto Skill Development Center	1,100
ME	NSGA, Winter Harbor	Recreation Cabins	570
MI	Detroit Arsenal	Commissary	6,200
MI	K.I. Sawyer AFB	Fast Food	0
MI	Selfridge ANG	Package Beverage Store	565
MI	Wurtsmith AFB	Fast Food	0
MO	Fort Leonard Wood	Multi-Purpose Sports Complex	3,500
MO	Fort Leonard Wood	Guest House	3,200
MO	Whiteman AFB	Fast Food	0
MO	Whiteman AFB	Shopping Center	6,150
MO	Whiteman AFB	Add/Alter - Commissary	2,000
MS	Keesler AFB	Fast Food	0
MS	NCBC, Gulfport	Fast Food	0
MS	NAS, Meridian	Fast Food	0
MT	Malmstrom AFB	Fast Food	0

<u>COUNTY/ STATE</u>	<u>INSTALLATION</u>	<u>PROJECT TITLE</u>	<u>COST (\$000)</u>
NC	MCB, Camp Lejeune	Fast Food Court	2,730
NC	MCB, Cherry Point	Auto Service Center	1,540
NC	Pope AFB	Add/Alter Youth Center	880
NC	Seymour-Johnson AFB	Add to Commissary	3,950
NC	Seymour-Johnson AFB	Fast Food	0
ND	Grand Forks AFB	Add/Alter - Commissary	1,200
NE	Offutt AFB	Fast Food	0
NH	Pease AFB	Fast Food	0
NJ	Fort Monmouth	Youth Activity Center	1,600
NJ	Fort Monmouth	Guest House	3,300
NM	Cannon AFB	Fast Food	0
NM	Holloman AFB	Temporary Lodging Facility	2,350
NY	Fort Drum	Package Beverage Store	933
NY	Griffiss AFB	Commissary Addition	1,200
NY	Griffiss AFB	Fast Food	0
NY	NS, New York	Combined Club	3,600
NY	NS, New York	Fast Food	0
NY	West Point	Package Beverage Store	740
NY	West Point	Consolidate Gift Facility	1,850
OK	Altus AFB	Fast Food	0
OK	Fort Sill	Skill Development Center/ Arts & Craft	2,250
PA	Carlisle Barracks	Fast Food	0
PA	NS, Philadelphia	Fast Food	0
RI	NETC, Newport	Fast Food	0
RI	NETC, Newport	Exchange Convenience Store	600
SC	Fort Jackson	Branch Exchange (Convenience)/Gas	880
SC	Myrtle Beach AFB	Youth Center	1,250
SC	Myrtle Beach AFB	Fast Food	0
SC	NS, Charleston	Fast Food	0
SC	NWS, Charleston	Exchange 7-Day Store Addition	600
SC	Shaw AFB	Fast Food	0
SD	Ellsworth AFB	Add/Alter Branch Exchange (Convenience)/Gas	630
SD	Ellsworth AFB	Construct Shopping Center	5,400
SD	Ellsworth AFB	Commissary	6,700

COUNTY/ STATE	INSTALLATION	PROJECT TITLE	COST (\$000)
TN	NAS, Memphis	Fast Food	0
TN	NAS, Memphis	Navy Lodge	1,700
TN	NAS, Mephis	Navy Exchange Distribution Center	1,350
TX	Brooks AFB	Arts/Crafts/Auto Skill Development Center	1,200
TX	Carswell AFB	Arts/Crafts/Auto Skill Development Center	1,550
TX	Fort Bliss	Youth Activity Center	2,350
TX	Fort Bliss	Bowling Center	4,152
TX	Fort Hood	Youth Center-Venable Village	1,200
TX	Fort Hood	Branch Exchange (Convenience)/Gas	880
TX	Fort Hood	Branch Exchange (Convenience)/Gas	1,400
TX	Fort Hood	Outdoor Swimming Pool	1,500
TX	Fort Hood	Youth Center-Wainwright Heights	1,850
TX	Fort Hood	Branch Exchange (Convenience)	1,900
TX	Fort Sam Houston	Toyland (Four Seasons)	2,300
TX	Goodfellow AFB	Fast Food	0
TX	Kelly AFB	NCO Open Mess	3,700
TX	Lackland AFB	Add/Alter Shopping Center	4,700
TX	NAS, Dallas	Enlisted Club Addition	1,100
TX	Randolph AFB	Fast Food	0
TX	Reese AFB	Auto Skill Development Center	520
TX	Sheppard AFB	Fast Food	0
UT	Hill AFB	Commissary Addition	1,900
VA	FETC, Dam Neck	Fast Food	0
VA	Fort Belvoir	Youth Activity Center	2,500
VA	Fort Eustis	Bowling Center	850
VA	Fort Eustis	Youth Activity	2,150
VA	Fort Myer	Fast Food	0
VA	Fort Story	Consolidated Club	5,340
VA	Langley AFB	Fast Food	0
VA	NSY, Portsmouth	Fast Food	0
WA	Fort Lewis	Bowling Center-Renovation Ctr	1,850
WA	McChord AFB	Officers Open Mess	4,450
WA	NSB, Bangor	Fast Food	0
WA	NSB, Bangor	Enlisted Club Addition	1,550
WA	NSB, Bangor	Navy Exh Mini-Mart/Consolidated Package Store	950
WA	NAS, Whidbey Island	Enlisted Club Expansion	1,600
WA	NAS, Whidbey Island	Location Exchange (Ault Field)	1,900
WI	Fort McCoy	Community Club	6,547

PLANNING AND DESIGN

Question. Provide for the record a detailed project listing by Service of all projects included in the fiscal year 1991 planning and design request. This listing should include project scope or square footage, estimated cost, and estimated design cost.

Answer. The information requested is not currently available due to a number of reasons. The primary reason is that our request is not based on a detailed project listing. The request for planning and design funds is based on a historically derived formula that takes into account our current unobligated balance of design funds, work we have committed to complete with the unobligated balance and projected funding levels for the coming fiscal years without regard to project definition. The purpose, in fact, of the planning and design request is, in part, to determine the scope and cost of projects we will be requesting in Fiscal Year 1993. In addition, planning and design funds support the construction management of projects funded for us by foreign governments, design criteria and standard design development, engineering feasibility studies, value engineering studies, design overhead, and other architectural and engineering services necessary to carry out construction design. About half of the request is to complete the design of the projects for fiscal year 1992. The detail you request on the scope of those projects will not be available until we achieve 35 percent design some time later this Fiscal Year.

The second reason the information is unavailable is that we are currently restudying our long range programs in light of the major force structure changes under consideration. But even under the best of circumstances, it would be misleading to attempt to provide such detail in advance of the effort required to develop it.

[CLERKS NOTE.—The President's Budget includes the following amounts for planning and design for fiscal year 1991:

Army.....	\$89,577,000
Navy.....	76,951,000
Air Force.....	107,741,000
Total	274,269,000

With the Department's refusal to respond to the above question, which has been requested and answered each year for many years, the budget request for planning and design lacks justification.]

[CLERK'S NOTE.—End of questions submitted by Chairman Hefner.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Alexander.]

Question. Will the U.S. Government be able to continue to use real estate overseas which is now being used for military installations, facilities, bases, and so forth after such military use is discontinued? If not, please describe, what happens to this real estate, indicating the differences between one nation or group of nations and another, and please identify what, if anything, the host nation—if it is reclaiming title to the real estate—will pay to the U.S. when the host nation reclaims title to the real estate and facilities?

Answer. Overseas, the U.S. military uses land that is provided by the host government. The U.S. does not purchase real property

overseas, hold title to any land, or pay real property taxes. Land use, including facilities construction, is governed by various bilateral agreements with host countries. Normally, host nation concurrence is required for any alterations of the property, changes in military missions or functions on the base, and increases in base population. Bilateral agreements between the U.S. and various host governments also provide for negotiations regarding the payment of residual value for facilities that will be vacated. In most instances, the agreements state that the amount and manner of compensation shall be negotiated on a case-by-case basis.

Question. Has the Department of Defense or any of the separate Service Departments considered or entered discussions with any non-military U.S. Government departments or agencies about possible uses they may have for equipment, materials and/or real estate now being used by the military services and for which the services will no longer have a use when the force levels overseas are reduced?

Answer. At this juncture, there has been no known efforts to contact other U.S. Government departments regarding the follow-on use of U.S. military installations overseas. In Europe, a detailed list of installations that will be closed as a result of a negotiated Conventional Forces in Europe (CFE) agreement will not be known until a treaty is approved. In accordance with most existing bilateral agreements, the U.S. is required to consult with the host government regarding any changes in missions, functions, and populations at specific installations. Once the details of the initial CFE agreement are known and specific installations named for closure, efforts could be made to identify other potential non-military U.S. uses. We would then enter into consultations with the host governments concerned.

Question. How many bases, and where, will be closed overseas as a result of the reductions in U.S. military forces overseas presence?

Answer. Other than the overseas base closures proposed by the Secretary of Defense in January 1990, other additional near term closures are most likely to come from the European Theatre as a result of CFE negotiations. In recent testimony, General Galvin, the Commander-in-Chief, U.S. Forces, Europe stated that up to 50 Army bases and some 30 Air Force bases could be identified for closure following a negotiated CFE agreement. In March 1990, General Galvin intends to submit a proposed European force structure based on the President's proposal to reduce U.S. forces. The study, which includes proposed base closures, will require Secretary Cheney's review and approval.

REUSE OF DEFENSE PROPERTY

Question. (a) Will the Department of Defense and separate Military Services permit the personnel of the Department of State and other interested U.S. Government departments and agencies to inspect available equipment and property for potential non-military use by U.S. departments and agencies

(b) If so, when and under what circumstances?

Answer. Yes, they will. Under the Federal Property Act, property that becomes excess will first be screened for reuse by the DoD.

Property not required after DoD screening will be made available to other interested U.S. Government departments and agencies located in that theatre through the nearest Defense Marketing and Reutilization Service Offices.

Question. What types of motor vehicles will be available and what is the age and conditions of these?

Answer. All types of general purpose vehicles are currently in use and would be made available after being screened for reuse by the DoD. We don't have any specific list of vehicles nor their age or condition.

Question. (a) Will any energy generators, tools, gardening equipment and office or residential furniture be available?

(b) If so, in what condition?

Answer. Yes, I'm sure these types of property would likely come available since they are currently in use in the theater. We have, however, no specific lists of property at this time.

Question. What kind of and how much warehouse space will be available for non-military use by U.S. Government agencies and departments?

Answer. In the absence of a formal agreement that specifies force reductions, base realignments, and equipment relocation or destruction, the Department is unable to determine the availability of warehouse space for other U.S. uses. Any alternative uses must be approved by the host government.

Question. Near the Bonn, Germany, will any current U.S. defense forces facility that is suitable for training courses become available to other U.S. Government agencies as a result of the reduction in U.S. forces now stationed in Germany?

Answer. None of the installations recently announced for closure are located near Bonn. Decisions as to which additional installations are to be closed have not been made as yet, and until they are, it would be premature to speculate on the suitability of facilities for training courses for use by other U.S. Government agencies.

Question. How many of the 91,000 active military personnel that the Administration intends to cut from U.S. forces by September 31, 1991, will be from those personnel stationed—

In Western Europe

In other locations outside the U.S.

At military installations inside the U.S.?

Answer. Of the 91,000 military end strength to be reduced by the end of FY 1991, approximately 3,600 will be taken from Western Europe. Further reduction to European troop strength depend upon the outcome of ongoing Conventional Forces in Europe negotiations. Approximately 1,800 troops will be withdrawn from other overseas locations during this time-frame. The remainder of the reductions will be taken primarily from CONUS-based units and activities as the Services selectively underman units, reduce force structure, transfer forces to the reserves, and streamline management functions.

Question. How many of the 91,000 active military personnel which the Administration has programmed for reduction by the end of Fiscal Year 1991 are part of the President's agreement to remove U.S. military personnel from Europe?

Answer. Of the 91,000 military end strength programmed for reduction by the end of FY 1991, approximately 3,600 billets will be withdrawn from Europe to comply with the legislated FY 1991 European Troop Strength ceiling of 311,855. Currently, we have approximately 305,000 Army and Air Force personnel in Europe. The President's current proposal would require us to reduce approximately 80,000 soldiers and airmen from the region to meet the proposed Conventional Forces in Europe (CFE) ceiling. In anticipation of achieving a CFE agreement, the Services have included non-programmatic reductions of approximately 16,000 end strength in the FY 1991 President's Budget. Because current ground and air force structure in Europe must be maintained until a CFE agreement is reached, the Service will selectively underman units in CONUS and other overseas locations. The precise nature of the future reduction in troop strength is dependent upon the force structure provisions of the negotiated agreement. When a treaty is signed and ratified, the appropriate force structure and attendant end strength will be reduced to offset the non-programmatic end strength reduction already included in the FY 1991 Budget. This fact must be taken into account during subsequent budget reviews; otherwise, the Service could be penalized by duplicative end strength reductions.

Question. How many of the U.S. military personnel that the President has agreed to remove from Europe will be—

Re-stationed at military installations in the U.S.

Re-stationed at military installations outside the U.S.?

Answer. This has not yet been fully determined. Generally, when an accord is reached on the number and types of units and equipment that may remain in Europe, personnel withdrawn will be re-deployed and redistributed within their parent Services, mostly to locations within the U.S. These personnel will be assigned primarily to fill existing shortages in those units that were selectively undermanned to accommodate the non-programmatic end strength reductions included in the FY 1991 President's Budget.

Question. What, if any, consideration has the Administration given to the kind of dual basing action which I have mentioned and what has been the outcome of that consideration?

Answer. We have long employed the dual basing concept, particularly with our tactical air forces. In the case of air force units, we have found it effective to maintain units here in CONUS that also are assigned to bases overseas in times of conflict. We have found this an effective concept for a variety of reasons, not least of which is the fact that tactical air forces can be moved forward and made functional very quickly, particularly if maintenance and runway facilities at the forward locations are kept in good order.

The same is not necessarily true for Army units, through we have adopted a variation on this concept by establishing POMCUS sets overseas. We can fly the forces forward to the point of conflict where they can then marry up with their equipment, which is already in place. Unlike tactical air force units, if we were to rely fully on moving an Army division and all of its equipment, we would encounter considerable delay before an adequate force could be positioned forward. This is not to say we are not considering a broader application of the concept, for we are. It is only to say that

dual basing as a concept cannot completely replace the requirement to maintain American forces at forward locations.

A key element of our strategy for the past 40 years has been to demonstrate our commitment to peace and stability by stationing American forces at overseas locations. There is much to be said about the many promising changes we see in the world today, but forward basing is one element of our strategy of defense and deterrence that we must retain if we are to achieve the objectives of our national security policy.

Question. Of the 91,000 cut in active military levels that the Administration proposes to make by the end of Fiscal Year 1991—

46 percent is to come from the Army,

45 percent is to come from the Air Force, and,

9 percent is to come from the Navy.

a. What is the Administration's justification for wanting to make such a lopsided cut in active military levels, particularly in view of the fact that the Air Force has major mission responsibility for two legs of the strategic defense triad?

Answer. The distribution of the reduction among the Services reflects the rapidly evolving nature of the political and military environment, particularly in view of recent events in Eastern Europe. With the reduced potential for conventional conflict in Europe, a reduction in conventional forces was justified. This fact, coupled with the nation's historical role as a maritime power, and the requirement to maintain this position, resulted in reduction that was distributed more heavily against the Army and the Air Force. Reductions in the Air Force are not being taken against the strategic nuclear forces, but against conventional forces and management functions.

Question. Are these unbalanced cuts in active military force levels intended to signal Congress, the American people and the world that the U.S. is following a policy of downgrading the importance of the land and air-based legs of the strategic defense triad?

Answer. The reductions reflect the recognition of the reduced probability of conventional conflict between the superpowers, especially in Europe. The fact that the strategic nuclear forces are being modernized and their survivability enhanced emphasizes the importance that the Administration places on all three legs of the strategic triad.

[CLERK'S NOTE.—End of questions submitted by Congressman Alexander.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Fazio.]

Question. Will the anticipated force reductions in Europe and Asia lead to further base closings other than those already proposed by Secretary Cheney?

Answer. Other than the overseas closures proposed by the Secretary in January of this year, additional closures are likely to come from the European Theater as a result of conventional force reduction agreements. In recent testimony, General Galvin, the Commander-in-Chief U.S. Forces, Europe stated that considerable study has gone into recasting the U.S. force structure in Europe based on the President's proposal for a 225,000 troop ceiling (195,000 in the Central Region). That study, which will include a list of the instal-

lations that will be affected, is expected to be submitted for approval to the Secretary of Defense in March 1990. General Galvin noted that up to 50 Army installations could be closed along with some 30 Air Force installations. That study does require the Secretary's review and approval and, currently, there is no estimate of when the study or list of installations would be released.

REUSE OF DEFENSE PROPERTY

Question. While U.S. military presence in Europe will be declining, we will still have a significant number of U.S. Government employees stationed in Europe. Will there be any effort to use excess DoD equipment and property to reinforce the support structure for these government employees?

For example: Will school buildings and school equipment be available?

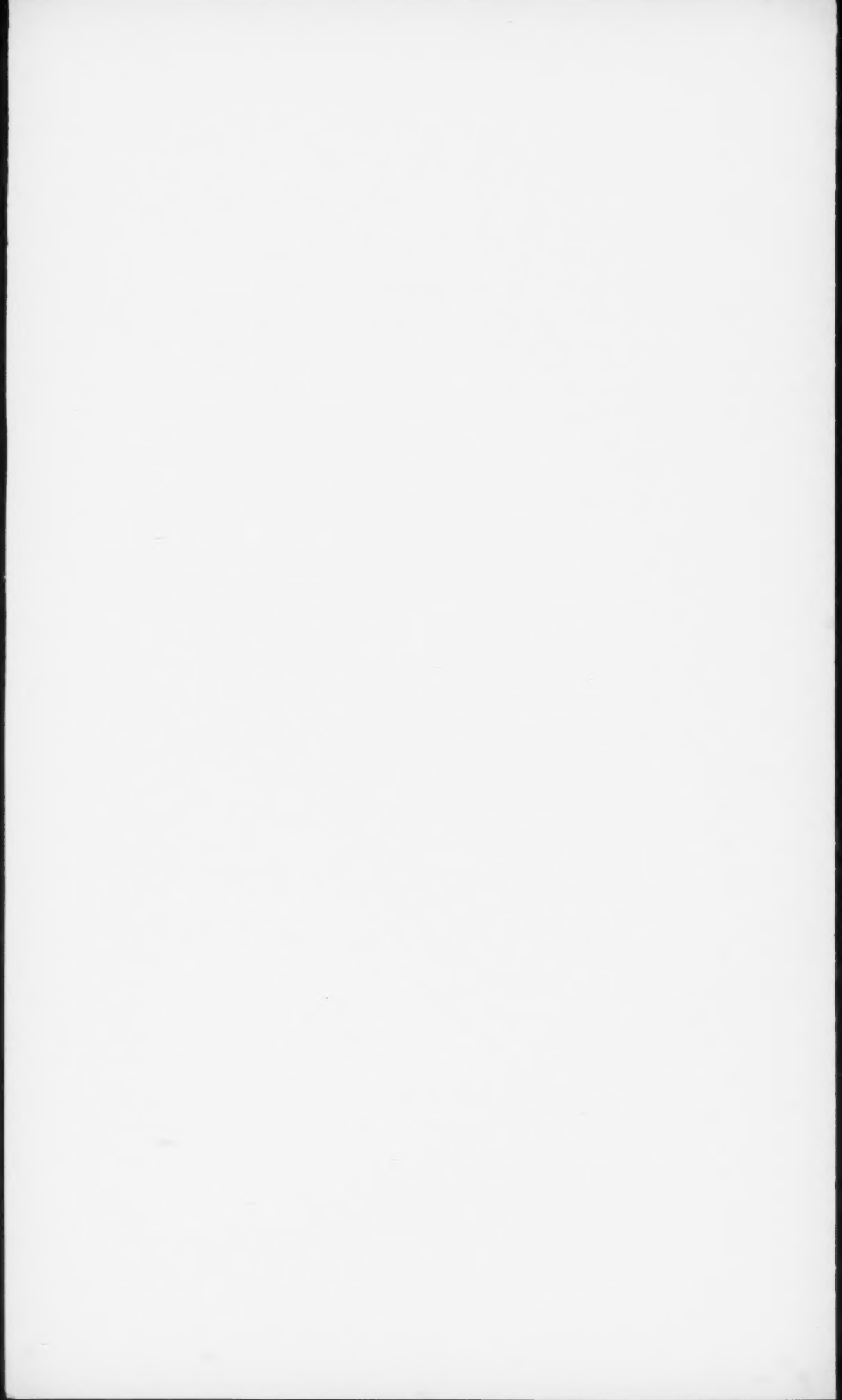
What types of motor vehicles will be available? What is the condition of these vehicles?

What maintenance equipment (e.g., light and heavy trucks, fork lifts, water tankers, container movers) will be available?

Will office or residential furniture be available?

Answer. Yes. Under the Federal Property Act, all types of personal property are made available to U.S. Government departments and agencies, once they become excess to DoD's needs and are screened for reuse by DoD. A wide variety of property is being used by the DoD in Europe and it would become available through the Defense Reutilization and Marketing Offices in Europe. We don't have any specific list of property that may become excess. With regard to school buildings, decisions as to which are to become excess, if any, have not been made yet, and until they are, it would be premature to speculate on use by other U.S. Government agencies.

[CLERK'S NOTE.—End of questions submitted by Congressman Fazio.]



QUALITY OF LIFE IN THE MILITARY

THURSDAY, MARCH 22, 1990.

WITNESSES

ARMY

SMA JULIUS W. GATES, SERGEANT MAJOR OF THE ARMY

NAVY

MCPON D.R. BUSHEY, MASTER CHIEF PETTY OFFICER OF THE NAVY

SGTMAJ DAVID W. SOMMERS, SERGEANT MAJOR OF THE MARINE CORPS

AIR FORCE

CMS JAMES C. BINNICKER, CHIEF MASTER SERGEANT OF THE AIR FORCE

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The committee will come to order. I would like to thank you gentlemen for being with us today. Today the committee will hold a hearing on the quality of life in the military.

This is the ninth hearing we have held on this particular subject. We continue having these hearings because we believe that decent working and living conditions are absolutely essential to our national defense.

Gentlemen, you have each appeared before us in the past, and you represent a great deal of experience as the senior non-commissioned officer from each Service. I hope you will continue your tradition of telling us whatever is on your mind.

Today, we will begin with the Army, with Sergeant Major Gates. Your entire statement will be part of the record, and you may proceed as you see fit.

STATEMENT OF SERGEANT MAJOR GATES

Sergeant Major GATES. Mr. Chairman, distinguished members of the committee, on behalf of the enlisted soldiers I am very honored with this opportunity to appear before you and the opportunity to address soldier concerns.

Today we have a quality, trained and ready Army. This decade does pose many challenges for your soldiers and your Army. However, we are leaning forward in our fox holes in anticipation of the opportunity to build the Army of the future.

In doing so, we certainly solicit your support of the Army's plan that is based on six enduring imperatives that are essential to building the Army of tomorrow, which will be a smaller but more deployable, more versatile and a more lethal Army.

We thank you for your support of the past, and we look to the future in anticipation of your continued concern for our soldiers. Sir, this concludes my opening remarks. I will be glad to entertain your questions.

[The information follows:]

RECORD VERSION

STATEMENT BY

SERGEANT MAJOR OF THE ARMY JULIUS W. GATES

UNITED STATES ARMY

BEFORE THE SUBCOMMITTEE ON MILITARY CONSTRUCTION

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

22 MARCH 1990

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
APPROPRIATIONS COMMITTEE

MR CHAIRMAN, DISTINGUISHED COMMITTEE MEMBERS, ON BEHALF OF YOUR ENLISTED SOLDIERS WHO SERVE IN THE RANKS IT IS AN HONOR TO ADDRESS YOU. WE ARE GRATEFUL FOR THIS OPPORTUNITY. WE THANK YOU FOR YOUR CONCERN AND YOUR CONTINUED SUPPORT. THIS STATEMENT IS REPRESENTATIVE OF YOUR ENLISTED SOLDIERS' CONCERNS ABOUT THEIR ARMY AND THEIR QUALITY OF LIFE AS THEY SERVE IN THE FORCES WHICH SAFEGUARD OUR COUNTRY AND OUR WAY OF LIFE.

TODAY, YOU HAVE A TRAINED AND READY ARMY. YOU HAVE THE BEST TRAINED, BEST LED, BEST EQUIPPED, AND BEST SOLDIERS IN THE WORLD.

YOUR QUALITY, TRAINED AND READY ARMY OF TODAY IS NO ACCIDENT. IT HAS TAKEN YEARS OF HARD, DEDICATED WORK BY DEDICATED PEOPLE TO BUILD THE ARMY OF TODAY. THIS INVESTMENT HAS ENSURED THIS GENERATION OF AMERICANS A LIFE FREE FROM THE THOUGHT OF FOREIGN CONQUEST. THIS INVESTMENT HAS MADE AND IS TODAY MAKING A BETTER LIFE FOR OTHER PEOPLE AROUND THE WORLD. UNFORTUNATELY, FREEDOM IS NOT FREE. OUR PEOPLE, OUR SOLDIERS AND SOLDIERS' FAMILIES HAVE PAID A PRICE. DURING THE WEEKEND PRIOR TO CHRISTMAS 1989, WHILE MOST OF US WERE LAST MINUTE CHRISTMAS SHOPPING AND PREPARING TO SPEND THE HOLIDAYS AT HOME WITH FAMILY AND FRIENDS, ABOUT TWENTY SIX THOUSAND OF YOUR SOLDIERS WOULD NOT SPEND

CHRISTMAS AT HOME.

ON 20 DECEMBER 1989 YOUR COUNTRY'S MOST PRECIOUS RESOURCE WOULD ONCE AGAIN BE REQUIRED TO GO WHERE OTHERS FEARED TO GO AND DO WHAT OTHERS HAD FAILED TO DO. ONCE AGAIN, THEY WOULD BE REQUIRED TO LAY THEIR LIVES ON THE LINE FOR FREEDOM AND IN THE DEFENSE OF OUR NATIONAL POLICIES. WITHIN 24 HOURS YOUR SOLDIERS, SAILORS, AIRMEN AND MARINES WOULD RELIGHT THE TORCH OF FREEDOM FOR OUR FRIENDS IN PANAMA. OPERATION JUST CAUSE, WAS BRILLIANTLY EXECUTED BY HIGHLY DISCIPLINED, HIGHLY TRAINED, WELL EQUIPPED, QUALITY SOLDIERS WHO VOLUNTEERED TO LAY THEIR LIVES ON THE LINE. THEY HAD A JOB TO DO AND THEY DID IT WELL.

IT IS EASY AND SAFE TO TALK; IT IS EASY TO WAVE FLAGS; IT IS EASY TO LISTEN TO THE BANDS; AND IT IS EASY TO WATCH THE SOLDIERS MARCH ON PARADE. BUT IT IS HARD TO JUMP FROM 400 FEET ONTO A HOT DROP ZONE AT NIGHT; IT IS HARD TO BLOW THE BARRICADES; AND IT IS HARD TO TAKE THE BARRACKS. IT IS HARD AND DANGEROUS. WAR, REGARDLESS OF THE INTENSITY, IS REAL MUD, REAL BLOOD, REAL DREAD, AND REAL DEATH. THE REALITIES OF WAR REQUIRE SOLDIERS TO ENDURE A CONSTANT LIFE THREATENING SITUATION OF WOUNDS, SUFFERING AND DEATH. AND WAR CAUSES OUR FAMILIES TO ENDURE THE HEART BREAKING NEWS OF A FALLEN LOVED ONE.

IF YOUR NATION'S MOST PRECIOUS RESOURCE, THE MEN AND WOMEN WHO VOLUNTEER TO SERVE IN YOUR ARMY, ARE WILLING TO LAY THEIR LIVES ON THE LINE TO ENSURE OUR FREEDOMS, AND TO PROTECT THE INTEGRITY OF OUR UNITED STATES OF AMERICA, THEN:

--- THEY DESERVE A QUALITY OF LIFE FOR THEMSELVES AND THEIR FAMILIES EQUAL TO THE SOCIETY THAT THEY ARE COMMITTED TO DEFEND.

--- THEY DESERVE TOUGH, REALISTIC, SAFE TRAINING THAT WILL PREPARE THEM TO OVERCOME THE RIGORS OF WAR.

--- THEY DESERVE MODERN WEAPON SYSTEMS, AIR/GROUND VEHICLES AND EQUIPMENT, THAT WILL GIVE THEM THE TECHNICAL AND TACTICAL EDGE ON THE BATTLEFIELDS OF TOMORROW.

--- THEY DESERVE A CHALLENGING AND PROFESSIONALLY REWARDING CAREER.

--- THEY DESERVE A RETIREMENT SYSTEM THAT IS FAIR AND PREDICTABLE.

THESE THINGS ARE A SMALL PRICE TO PAY FOR THE SERVICES RENDERED BY YOUR SOLDIERS.

I. CHALLENGES OF THE 90s, SHAPING THE ARMY OF THE FUTURE:

THE 90s HOLD MANY CHALLENGES FOR OUR SOLDIERS AND OUR ARMY TO REMAIN TRAINED AND READY TO EXECUTE OUR RESPONSIBILITIES FOR THE CITIZENS OF OUR COUNTRY. CONFRONTED WITH BUDGET REDUCTIONS, FORCE REDUCTIONS, BASE CLOSURES AND REALIGNMENTS, YOUR SOLDIERS ARE CONCERNED! THEY ARE CONCERNED WITH SHAPING THE ARMY OF THE FUTURE, THE DYNAMICS OF REDUCING A VOLUNTEER, PROFESSIONAL, QUALITY ARMY, AND THE QUALITY OF LIFE FOR THEMSELVES AND THEIR FAMILIES.

IT IS NO SECRET THAT YOUR ARMY WILL BE REDUCED IN SIZE. HOWEVER, WE SOLDIERS STRONGLY SOLICIT YOUR SUPPORT TO ENSURE THAT FORCE REDUCTIONS ARE ACCOMPLISHED IN A PLANNED, HIGHLY DISCIPLINED MANNER THAT PREVENTS SOLDIER TURBULENCE. WE SOLICIT YOUR SUPPORT TO ENSURE THAT YOUR ARMY OF THE FUTURE WILL BE A SMALLER, BUT MORE LETHAL, MORE DEPLOYABLE, AND MORE VERSATILE ARMY, WITH HIGH QUALITY SOLDIERS, LED BY QUALITY LEADERS AND EQUIPPED WITH STATE OF THE ART EQUIPMENT. WE MUST ACCOMPLISH THIS TRANSFORMATION BY UNCOMPROMISING ADHERENCE TO THE SIX FUNDAMENTAL IMPERATIVES THAT HAVE BEEN DEVELOPED BY YOUR ARMY LEADERSHIP. BY ADHERING TO THESE IMPERATIVES, TODAY'S TRAINED AND READY ARMY IS POSITIONED TO MEET THE CHALLENGES OF TOMORROW. THE ARMY OF THE 1990s AND BEYOND WILL CONTINUE TO BE AN ARMY THAT REFLECTS THE VALUES AND INGENUITY OF OUR NATION.

A. THE FIRST OF THESE IMPERATIVES, AND THE MOST IMPORTANT, CAN BE SUMMED UP IN A SINGLE WORD - QUALITY. IT IS THIS CHARACTERISTIC THAT ENABLES THE ARMY TO FULFILL ITS WORLDWIDE ROLES IN SPITE OF OUR RELATIVELY SMALL SIZE. THE HIGH QUALITY OF THE AMERICAN SOLDIER - A COMBINATION OF INTELLIGENCE, INITIATIVE, COMBAT SKILL, TENACITY, AND PHYSICAL TOUGHNESS - HAS BEEN A TRADITIONAL SOURCE OF VICTORY IN BATTLE. OUR EXPERIENCES HAVE STRENGTHENED OUR CONVICTION THAT RECRUITING AND RETAINING TALENTED MEN AND WOMEN MUST CONTINUE TO BE OUR TOP PRIORITY IN THE ARMY OF THE 1990s AND BEYOND. THEREFORE, IF WE ARE TO ATTRACT THE BEST OUR NATION HAS TO OFFER, WE MUST CONTINUE TO OFFER THEM THE PERSONAL AND PROFESSIONAL CHALLENGES, AND A QUALITY OF LIFE EQUAL TO THE CITIZENS THEY ARE SWORN TO DEFEND.

B. THE SECOND IMPERATIVE FOCUSES ON SUSTAINING OUR MOMENTUM BY MAINTAINING A FORWARD-LOOKING WARFIGHTING DOCTRINE THAT MEETS THE NEEDS OF THE BATTLEFIELD TODAY AND IS AHEAD OF ITS TIME TOMORROW. WE DO THIS BY UNDERSTANDING OUR DOCTRINE AND TRANSLATING IT INTO TACTICS, TECHNIQUES AND PROCEDURES, APPLIED UNDER THE MOST GRUELLING CIRCUMSTANCES, THAT WILL GUARANTEE FUTURE BATTLEFIELD VICTORIES. THIS APPLIES TO EVERY OFFICER, NONCOMMISSIONED OFFICER, AND EVERY SOLDIER.

C. OUR THIRD IMPERATIVE IS TO MAINTAIN THE APPROPRIATE MIX OF HEAVY, LIGHT AND SPECIAL OPERATIONS FORCES IN OUR ACTIVE AND RESERVE COMPONENTS. THE OPERATION JUST CAUSE TASK FORCE WAS MADE UP OF SPECIAL OPERATIONS UNITS, LIGHT AND HEAVY UNITS, FORWARD DEPLOYED AND CONUS BASED FORCES. ALTHOUGH A RELATIVELY SMALL FORCE IN NUMBERS, THE TASK FORCE WAS A GOOD INDICATION OF HOW WE, THE ARMY, ENVISION THE FORCE CONFIGURATIONS FOR THE BATTLEFIELDS OF TOMORROW.

D. FOURTH, AND OUR TOP DAY TO DAY PRIORITY, IS TOUGH, REALISTIC TRAINING. TRAINING IS THE CORNERSTONE OF OUR READINESS AND PREPARES OUR SOLDIERS TO FACE AND OVERCOME THE RIGORS OF WAR. WE'VE MADE SIGNIFICANT TRAINING IMPROVEMENTS BY DEVOTING RESOURCES TO TRAINING MORE REALISTICALLY, AND TO HIGHER STANDARDS. WE MUST MAINTAIN THAT MOMENTUM BY TRAINING SMARTER AND USING RESOURCES WISELY. WE MUST CONTINUE TO IMPROVE TRAINING OF INDIVIDUAL SOLDIERS; CONTINUE TO WORK AT LINKING INDIVIDUAL SOLDIER TASKS TO UNIT TASKS; AND CONTINUE TO DEVELOP CONFIDENT AND COMPETENT LEADERS. WE WANT TO CHALLENGE OUR QUALITY SOLDIERS, LEADERS, AND UNITS WITH MEANINGFUL TRAINING THAT PRODUCES READINESS. CHALLENGE IN TRAINING ALSO PROVIDES THE EXCITEMENT AND FULFILLMENT THAT KEEPS GOOD SOLDIERS IN OUR RANKS.

E. FIFTH, WE MUST REMAIN COMMITTED ON MODERNIZING OUR COMBAT CAPABILITIES TO IMPROVE OUR WARFIGHTING ABILITIES. MODERNIZATION IS AN ESSENTIAL, CONTINUING PROCESS AND WE MUST PROTECT AND KEEP THE ESSENTIAL PROGRAMS FOR THE FUTURE. WE MUST CONTINUE MAKING NECESSARY IMPROVEMENTS IN OUR EQUIPMENT FOR ITS SURVIVABILITY AND LETHALITY IN BATTLE. MODERNIZATION IN THE HANDS OF OUR QUALITY SOLDIERS GIVE THEM THE WARFIGHTING EDGE ON THE BATTLEFIELDS OF TOMORROW.

F. IN THE FINAL ANALYSIS, THE CAPABILITIES OF THE ARMY DEPEND NOT ONLY ON THE QUALITY OF OUR SOLDIERS, BUT ON COMPETENT LEADERS. OUR SIXTH IMPERATIVE IS TO CONTINUE DEVELOPMENT OF ARMY LEADERS. WE HAVE PIONEERED MANY INITIATIVES IN THIS AREA, TO INCLUDE ENHANCEMENTS IN FORMAL EDUCATION AND TRAINING, OPERATIONAL EXPERIENCES, AND CONTINUOUS SELF-DEVELOPMENT OPPORTUNITIES. LEADER DEVELOPMENT FOR SOLDIERS AND CIVILIANS IS OUR MOST IMPORTANT AND LASTING CONTRIBUTION TO SHAPING THE ARMY OF THE FUTURE.

II. QUALITY OF LIFE OVERVIEW: SOLDIERS DON'T EXPECT NOR DO THEY DESIRE AN EXTRAVAGANT QUALITY OF LIFE. THEY ACCEPT FAMILY SEPARATIONS, CRAMPED LIVING AND WORKING CONDITIONS, AND FREQUENT MOVES. HOWEVER, THEY DO EXPECT AND DESIRE A QUALITY OF LIFE EQUAL TO THE SOCIETY THAT THEY ARE COMMITTED TO SERVE. YOUR SOLDIERS ARE CITIZENS OF THIS COUNTRY. THEY

SERVE ON NUMEROUS CIVIC BOARDS AND COMMISSIONS. THEY GIVE WHOLEHEARTEDLY TO LOCAL AND NATIONAL CHARITY PROGRAMS. THEY VOLUNTEER THEIR OFF-DUTY TIME TO ORGANIZATIONS SUCH AS THE SCOUTS OF AMERICA, THEY ARE VOLUNTEER FIREMEN, AND THEY ARE TAXPAYERS. ALTHOUGH MAJOR QUALITY OF LIFE IMPROVEMENTS HAVE BEEN MADE OVER THE RECENT YEARS, YOUR SOLDIERS AND THEIR FAMILIES ARE CONSISTENTLY CONFRONTED WITH TOUGH LIVELIHOOD DECISIONS.

MANY SOLDIERS LIVE BELOW THE NATIONAL POVERTY LEVEL. SOLDIERS ARE REQUIRED TO LIVE IN ANTIQUATED BARRACKS WITH INSUFFICIENT HEATING AND COOLING SYSTEMS. SOME ARE STILL LIVING IN QUONSET HUTS AND WORLD WAR II BARRACKS. BECAUSE OF ASSIGNMENT TO HIGH COST OF LIVING AREAS, WITH THE SHORTAGE OF ON POST HOUSING AND THE HIGH COST OF OFF POST HOUSING, IN MOST CASES BOTH PARENTS ARE REQUIRED TO WORK CAUSING THE NEED FOR INCREASED CHILD CARE SERVICES.

SOLDIERS DON'T UNDERSTAND PAY RAISES THAT RESULT IN LESS ACTUAL "TAKE HOME" PAY. THEY DON'T UNDERSTAND THE PROPOSED 25% COST INCREASE FOR REPLACEMENT MILITARY CLOTHING. THEY SEE A CHANGING RETIREMENT SYSTEM. THEY SEE CURTAILED MEDICAL SERVICES FOR RETIREES AND INCREASED COST SHARING FOR CHAMPUS COVERAGE. DUE TO THE RECENT FUNDING CHANGES FOR MWR ACTIVITIES, PRICES FOR RECREATIONAL SERVICES

ARE INCREASING AND SOME FACILITIES ARE BEING CLOSED. I STRONGLY BELIEVE THAT IF THESE TRENDS CONTINUE RECRUITING AND RETENTION WILL BECOME A MORE DIFFICULT, IF NOT IMPOSSIBLE, TASK.

A. QUALITY OF LIFE IMPROVEMENTS: YOUR POSITIVE ACTIONS AND CONCERN FOR SOLDIERS' WELL-BEING HAVE CAUSED MANY NEEDED IMPROVEMENTS IN OUR QUALITY OF LIFE, FOR WHICH WE ARE THANKFUL.

1. THE INCREASED WEIGHT ALLOWANCE FOR THE SHIPMENT OF HOUSEHOLD GOODS HAS ALLOWED OUR SOLDIERS A SIGNIFICANT SAVINGS IN WHAT WOULD OTHERWISE HAVE BEEN OUT-OF-POCKET MOVING EXPENSES.
2. THE RECENT WELCOMED TWO MONTH DISLOCATION ALLOWANCE IS EASING THE FINANCIAL BURDEN THAT HAS PLAGUED OUR SOLDIERS IN THE PAST WITH HIGH COST MOVING EXPENSES.
3. ALTHOUGH WE STILL EXPERIENCE A SHORTAGE OF CHILD DEVELOPMENT SERVICES YOUR CONTINUED SUPPORT FOR THIS CRITICAL QUALITY OF LIFE ISSUE HAS MADE A DIFFERENCE. THE CHILD DEVELOPMENT SERVICES THAT ARE AVAILABLE ARE SECOND TO NONE.

4. YOUR CONTINUED SUPPORT FOR PRIMUS CLINICS AND CHAMPUS REFORM INITIATIVES ARE PROVIDING NEEDED HEALTH CARE FOR OUR FAMILY MEMBERS AND OUR RETIREES.

WE ARE THANKFUL AND GRATEFUL FOR THESE IMPROVEMENTS.

B. SEPARATION PAY FOR ENLISTED SOLDIERS: AS WE TRANSFORM INTO A SMALLER ARMY MANY OF YOUR HIGH QUALITY SOLDIERS AT THE NONCOMMISSIONED OFFICER GRADE LEVELS ARE SUBJECT TO SEPARATION FROM THE ARMY PRIOR TO REACHING RETIREMENT ELIGIBILITY. THESE OUTSTANDING SOLDIERS HAVE MET THE STANDARDS AND THEY HAVE MADE A SOLID COMMITMENT TO SERVING THIS COUNTRY. THROUGH NO FAULT OF THEIR OWN, BUT AS A RESULT OF FORCE REDUCTIONS THEY MAY BE FORCED OUT OF OUR RANKS. WE STRONGLY SOLICIT YOUR SUPPORT AND SPECIAL FUNDING FOR THE DEPARTMENT OF DEFENSE SEPARATION PAY PLAN FOR THESE OUTSTANDING ENLISTED SOLDIERS AND THEIR FAMILIES. WE BELIEVE THAT IT IS THE RIGHT THING TO DO.

C. BASIC PAY: SINCE 1982 MILITARY PAY HAS LAGGED BEHIND THE PRIVATE SECTOR. AS OF TODAY OUR PAY IS BEHIND ALMOST 11 PERCENT. SOLDIERS ARE NOT ASKING FOR PAY ABOVE OUR CIVILIAN COUNTERPARTS, HOWEVER, WE DO BELIEVE THAT WE DESERVE COMPARABILITY. WITH THE COST OF LIVING INCREASES OUR SOLDIERS ARE EXPERIENCING NEGATIVE GROWTH IN THEIR BUYING

POWER. IF THE DISPARITY IS ALLOWED TO CONTINUE AND IF THE GAP WIDENS WE WILL BE PROVIDING ENCOURAGEMENT FOR OUR SOLDIERS TO SEEK EMPLOYMENT IN THE PRIVATE SECTOR.

D. FOOD STAMPS AND WOMEN, INFANTS, CHILDREN (WIC)

SUPPLEMENTAL FOOD PROGRAM: UNFORTUNATELY, BECAUSE OF LAGGING PAY AND ALLOWANCES, THE SHORTAGE OF GOVERNMENT HOUSING, COUPLED WITH THE REQUIREMENT TO LIVE IN HIGH COST AREAS, MANY OF OUR SOLDIERS ARE ON WELFARE. TO SURVIVE THEY MUST USE FEDERAL AND STATE WELFARE ASSISTANCE. THIS CONDITION CONTINUES TO WORSEN. IN 1987 OUR SOLDIERS REDEEMED 4.5 MILLION DOLLARS IN FOOD STAMPS AND 1.5 MILLION IN WIC SALES IN OUR CONUS COMMISSARIES. THESE REDEMPTIONS AND SALES GREW TO 5.1 MILLION AND 3.0 MILLION RESPECTIVELY IN 1989. WE STRONGLY BELIEVE THAT THESE FIGURES ARE ONLY A FRACTION OF THE TOTAL WELFARE ASSISTANCE REQUIRED BY OUR SOLDIERS SINCE WE CANNOT DETERMINE THE OFF POST USE. THIS CONDITION, IN MY OPINION, IS DEPLORABLE. ANY SOLDIER WHO VOLUNTEERS TO SERVE THIS COUNTRY SHOULD BE GUARANTEED A QUALITY OF LIFE ABOVE THE NATIONAL POVERTY LEVEL.

E. FAMILY HOUSING: ECONOMICS ARE CAUSING ON POST AND GOVERNMENT LEASED FAMILY HOUSING TO STEADILY BECOME MORE ATTRACTIVE FOR ENLISTED SOLDIERS, ESPECIALLY FOR OUR YOUNGER SOLDIERS. THE LACK OF GOVERNMENT HOUSING AT MOST OF OUR

INSTALLATIONS, CONUS AND OCONUS, FORCES OUR SOLDIERS TO SEEK SUITABLE HOUSING IN THE CIVILIAN SECTOR. HOUSING ON THE CIVILIAN SECTOR IS EITHER EXTREMELY EXPENSIVE OR OUR TROOPS ARE REQUIRED TO COMMUTE IN EXCESS OF 50 MILES DAILY ON ALREADY CONGESTED ROAD NETWORKS, THAT IN SOME AREAS INCLUDE TOLL COST, TO FIND AFFORDABLE HOUSING. MANY ARE ELECTING TO BECOME GEOGRAPHIC BACHELORS, LEAVING THEIR FAMILIES IN SAFE, AFFORDABLE AREAS. THIS PRACTICE HAS A NEGATIVE IMPACT ON MORALE AND READINESS, AND PLACES AN ADDITIONAL STRAIN ON ALREADY CROWDED BACHELOR QUARTERS. IN ADDITION, THIS PRACTICE CAUSES MARITAL HARDSHIPS. I ENCOURAGE YOUR CONTINUED SUPPORT FOR ADDITIONAL GOVERNMENT HOUSING, ESPECIALLY IN THE HIGH COST AREAS.

F. BACHELOR QUARTERS: STRIDES HAVE BEEN MADE TO IMPROVE BACHELOR SOLDIER QUARTERS THROUGH NEW CONSTRUCTION, SELF HELP AND CONTRACTUAL RENOVATION PROGRAMS. HOWEVER, WE STILL HAVE MANY BACHELOR SOLDIERS WHO ARE REQUIRED TO LIVE IN WORLD WAR II SUBSTANDARD BARRACKS AND QUONSET HUTS WITH INADEQUATE HEATING, COOLING AND SANITATION FACILITIES. IN ADDITION, AS OUR BACHELOR SOLDIERS PROGRESS IN RANK, THEY HAVE LITTLE TO LOOK FORWARD TO FOR MORE ATTRACTIVE, COMFORTABLE, AND LESS RESTRICTIVE LIVING CONDITIONS. THE OPTION TO LIVE OFF POST IS ALMOST NONEXISTENT DUE TO THE COST AND NONAVAILABILITY OF HOUSING. THIS CONDITION, IF

ALLOWED TO CONTINUE, WILL BE DETRIMENTAL TO RETAINING THESE HIGH QUALITY SOLDIERS. OUR BACHELOR SOLDIERS DESERVE ADEQUATE LIVING CONDITIONS.

G. BASIC ALLOWANCE FOR QUARTERS (BAQ)/VARIABLE HOUSING ALLOWANCE (VHA): APPROXIMATELY 56% OF THE ARMY IS MARRIED. MOST OF THESE ARMY FAMILIES ARE REQUIRED TO LIVE ON THE ECONOMY AND RECEIVE BAQ AND VHA OR THE OVERSEAS HOUSING ALLOWANCE. THESE ALLOWANCES ARE INSUFFICIENT FOR MOST AREAS. COMMUTING COSTS AND REGIONAL EXPENSES ARE NOT FIGURED WHEN COMPUTING ALLOWANCES FOR AN AREA. SUBSEQUENTLY, THESE COSTS ARE ADDITIONAL FINANCIAL LIABILITIES FOR THE SOLDIER. OSD COMPENSATION IS CURRENTLY STUDYING A SYSTEM THAT WILL TIE HOUSING ALLOWANCES TO HUD STANDARDS. WE REQUEST YOUR SUPPORT OF THE OSD PROPOSAL WHICH WILL IMPROVE THE QUALITY OF LIFE FOR OUR SOLDIERS WHO MUST RESIDE ON THE LOCAL ECONOMY.

H. MORALE, WELFARE, AND RECREATION (MWR): AS PREVIOUSLY STATED, CURRENT POLICY FOR MANY OF OUR MWR ACTIVITIES TO BE PROFITABLE ARE CAUSING PRICE INCREASES FOR SOLDIERS AND FAMILY MEMBERS. ACTIVITIES THAT ARE NOT PROFITABLE ARE BEING CLOSED OR CONSOLIDATED. THESE PRICE INCREASES AND CONSOLIDATIONS ARE ENCOURAGING SOLDIERS TO USE OFF POST ACTIVITIES. IN MY OPINION, WE ARE LOSING THE ORIGINAL

INTENT OF OUR MWR PROGRAMS, WHICH WAS TO PROVIDE OUR SOLDIERS AND FAMILY MEMBERS WITH AFFORDABLE, WHOLESOME RECREATIONAL ACTIVITIES. THIS ORIGINAL INTENT WAS DESIGNED ESPECIALLY FOR OUR YOUNG SINGLE SOLDIERS WHO DON'T HAVE ACCESS TO INDIVIDUAL TRANSPORTATION. AS WE TRANSFORM INTO A SMALLER ARMY I BELIEVE THAT THIS POLICY WILL REQUIRE A RELOOK. IN MY OPINION, WE ARE PRICING THE SOLDIER OUT OF THE ARMY MWR PROGRAM.

I. CHILD CARE: BECAUSE OF THE HIGH COST OF LIVING BOTH SOLDIER PARENTS ARE REQUIRED TO WORK. SUBSEQUENTLY, THE NEED FOR AFFORDABLE AND APPROPRIATE CHILD CARE IS CONTINUING TO INCREASE. IN ADDITION, AFFORDABLE AND AVAILABLE CHILD CARE ON THE ECONOMY FOR OUR SINGLE PARENT SOLDIERS AND OUR DUAL MILITARY COUPLES IS ALMOST IMPOSSIBLE TO OBTAIN BECAUSE OF UNPREDICTABLE DUTY REQUIREMENTS. WE APPRECIATE YOUR PREVIOUS SUPPORT AND WE SOLICIT YOUR CONTINUED SUPPORT FOR THIS MOST IMPORTANT CONCERN. THIS IS NOT ONLY A QUALITY OF LIFE ISSUE, IT IS A READINESS ISSUE.

J. HEALTH CARE: THE PRIMARY CARE CLINICS AND THE CHAMPUS REFORM PROGRAMS ARE WELCOMED HEALTH CARE INITIATIVES FOR OUR FAMILY MEMBERS AND OUR RETIREES. ALTHOUGH WE HAVE SEEN THESE IMPROVEMENTS, MANY SOLDIERS AND RETIREES ARE STILL ABSORBING BASIC MEDICAL CARE COSTS. THIS YEAR WE HAVE SEEN

A SLIGHT INCREASE IN COST SHARING FOR CHAMPUS. IN ADDITION, MANY SOLDIERS ARE REQUIRED TO PAY THE COST DIFFERENTIAL BETWEEN THE CHAMPUS ALLOWABLES AND THE ACTUAL MEDICAL COSTS INCURRED BY USING CIVILIAN HEALTH CARE. YOUR SOLDIERS CONSIDER HEALTH CARE AS THE PRIMARY BENEFIT WHILE THEY ARE ON ACTIVE DUTY AND UPON RETIREMENT. THIS BENEFIT IS CONSIDERED TO BE INADEQUATE BY MOST SOLDIERS WHO MUST USE CHAMPUS, AND BY THE MAJORITY OF OUR RETIREES. I STRONGLY URGE YOUR SUPPORT FOR THE CHAMPUS REFORM INITIATIVES AND THE FUNDING FOR ADDITIONAL PRIMUS CLINICS.

K. RESERVE COMPONENTS: THE MAJORITY OF THE SOLDIERS WHO SERVE IN YOUR ARMY ARE NATIONAL GUARD AND U.S. ARMY RESERVE. YOUR RESERVE COMPONENT SOLDIERS HAVE QUALITY OF LIFE ISSUES THAT ARE UNIQUE, WHICH DESERVE ATTENTION.

1. MANY OF OUR RESERVE COMPONENT SOLDIERS PAY OUT-OF-POCKET EXPENSES FOR TRAVEL TO DUTY STATIONS BECAUSE OF THEIR DEDICATION. THESE SOLDIERS DESERVE JUST COMPENSATION FOR TRAVEL.

2. POST PRIVILEGES SHOULD BE EXTENDED TO RESERVE COMPONENT RETIREES WHO FALL INTO THE GRAY ZONE - SOLDIERS WHO HAVE 20 YEARS OF QUALIFIED SERVICE FOR RETIREMENT AND ELECT TO RETIRE BEFORE AGE 60.

3. MANY OF THE RESERVE COMPONENT FACILITIES ARE IN NEED OF RENOVATION TO ACCOMMODATE EXPANDED TRAINING OPPORTUNITIES.

4. OUR RESERVE COMPONENT UNITS SHOULD BE EQUIPPED WITH MODERN WEAPON SYSTEMS, AND MODERN AIR AND GROUND VEHICLES.

5. CONSIDERATION SHOULD BE GIVEN TO MAINTAINING THE CURRENT EDUCATION PROGRAMS FOR OUR RESERVE COMPONENT SOLDIERS.

THESE CONSIDERATIONS WILL INCREASE RECRUITING AND RETENTION FOR OUR RESERVE COMPONENTS.

L. RETIREES: OUR RETIREES HAVE SERVED OUR COUNTRY SELFLESSLY AND MANY HAVE FOUGHT COURAGEOUSLY SO THAT WE MAY BENEFIT FROM THEIR SACRIFICES.

1. THEY DESERVE A MILITARY RETIREMENT COMPENSATION SYSTEM WHICH PRESERVES THE FULL VALUE OF RETIREE INCOME. THE COLA CAP SHOULD BE REMOVED. IT IS CONSIDERED AS AN UNFAIR CHANGE IN THE MILITARY RETIREMENT PROGRAM.

2. YOUR RETIREE SOLDIERS NEED HEALTH CARE EXPENSE RELIEF BY EXPANDING CHAMPUS TO SUPPLEMENT MEDICARE SO THAT ALL MILITARY RETIREES, REGARDLESS OF AGE, RECEIVE THE SAME MEDICAL COVERAGE. AND THEY NEED LEGISLATION TO REDUCE THE

CHAMPUS OUT-OF-POCKET COST LIMIT FROM \$10,000 TO \$3,000.

YOUR SUPPORT FOR OUR NATION'S FINEST DURING THEIR LEAN YEARS WOULD BE GREATLY APPRECIATED.

III. RECRUITING AND RETENTION: AS WE TRANSFORM INTO A SMALLER ARMY, WHICH WILL MANDATE A REDUCTION OF QUALITY SOLDIERS FROM OUR RANKS PRIOR TO THEIR RETIREMENT ELIGIBILITY, AND AS WE EXPERIENCE A PERCEIVED EROSION OF PAY AND ALLOWANCES, MEDICAL CARE COST INCREASE, CUT BACK IN MWR ACTIVITIES, I STRONGLY BELIEVE THAT QUALITY YOUNG CITIZENS WILL THINK TWICE BEFORE ENLISTING. AND I STRONGLY BELIEVE THAT IF FORCE REDUCTIONS ARE NOT ACCOMPLISHED IN A DISCIPLINED, PLANNED MANNER, WITH ADHERENCE TO THE SIX IMPERATIVES, THEN WE WILL WITNESS AN EXODUS OF QUALITY SOLDIERS FROM OUR RANKS.

A. DURING FISCAL YEAR 1989 WE ACCOMPLISHED OUR RECRUITING GOALS WITH HIGH QUALITY SOLDIERS. OUR RETENTION RATE WAS THE BEST IN RECENT HISTORY WITH A HIGH QUALITY CONTENT. THESE TOUGH TASKS WERE ACCOMPLISHED THROUGH GOOD LEADERSHIP, GOOD TRAINING, RECRUITING ADVERTISEMENT, AND CRITICAL INCENTIVE PROGRAMS.

B. IF WE ARE GOING TO CONTINUE TO HAVE A QUALITY ARMY THAT IS CAPABLE OF PERFORMING OUR NATIONAL SECURITY MISSIONS, THEN WE MUST:

1. PROTECT AND EXPAND RECRUITING AND RETENTION INCENTIVE PROGRAMS.
2. CONTINUE THE ARMY COLLEGE FUND.
3. ADEQUATELY RESOURCE ARMY RECRUITING ADVERTISEMENT.

SUMMARY: YOUR SOLDIERS HAVE MANY OTHER CONCERNS THAT DEMAND YOUR ATTENTION. -HOWEVER, WE HAVE COVERED THE MAJOR ISSUES. AS WE MOVE THROUGH THIS DECADE TOWARD THE 21ST CENTURY WE KNOW THAT YOU WILL BE CONFRONTED WITH TOUGH DECISIONS. WHILE YOU MAKE THE HARD DECISIONS THAT ARE FACING OUR COUNTRY I KNOW THAT YOU WILL DO WHAT IS RIGHT FOR YOUR SOLDIERS. REST ASSURED, WHEN NEEDED YOUR SOLDIERS WILL DO WHAT IS RIGHT FOR OUR COUNTRY.

SIR, THIS CONCLUDES MY REMARKS. I WILL BE GLAD TO ANSWER YOUR QUESTIONS.

Mr. HEFNER. We will have everybody give their statements.

The next witness is Master Chief Petty Officer Bushey of the Navy. Sir, you may proceed.

STATEMENT OF MASTER CHIEF BUSHEY

Master Chief BUSHEY. I want to thank the committee very much for the support and help you have given us in the past on our MilCon. You have my written testimony. I would like to add to this that we in the U.S. Navy have answered the call to duty many times in this decade.

We were part of the raid on Libya to halt terrorists throughout the world. We took part in the invasion of Grenada to ensure the safety of our American students. There we patrolled the Persian Gulf and kept the oil that the world depends on flowing.

Many tedious days at sea were interrupted by moments of terrifying combat. Many of today's young sailors have experienced the smell of death. It is a smell that once you have experienced it you never forget. These sailors who became combat veterans in a time of peace don't expect rewards for facing these things.

They are proud Americans doing what is right for democracy. However, they are saddened today, confused and worried today, but not from the horrors of combat. They have watched their futures tossed around because of politics. They recognize they are being used as pawns. The smell of death hasn't yet faded in their nostrils. Yet, they wonder if politics can do what hostile navies haven't been able to do, and that is weaken the greatest navy in the world.

As peace becomes more prevalent, the military will become smaller, and we support this, but it must be done right. I say all of this with total respect for each and every one of you as individuals, and even with a little bit of fear of retribution, but it is the truth and it needs to be said.

Gentlemen, we could talk all day long about MilCon, but that is not the immediate concern of our sailors out in the fleet today. Let's put it another way. We are healthy now, but that health will be severely damaged in terms of losing our best people by breaking the faith and spirit our men and women in uniform have for you today.

We need reprogramming now so we will have a Navy to build in the future. Mr. Chairman, I am grateful that I am able to come here and speak to you. The 500,000 enlisted men and women I represent are also grateful that you have allowed me to express their views. I would like to invite each of you to come sail the high seas with us and to spend a few nights and live with our enlisted sailors at sea.

It is the best gift you can give them, and the most eye-opening experience I think you will ever have. Thank you very much.

[The information follows:]

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APPROPRIATIONS COMMITTEE

STATEMENT OF
MASTER CHIEF AVIONICS TECHNICIAN (AIR WARFARE) DUANE R. BUSHEY
MASTER CHIEF PETTY OFFICER OF THE NAVY
BEFORE THE
MILITARY CONSTRUCTION SUBCOMMITTEE
OF THE
HOUSE APPROPRIATIONS COMMITTEE
ON
QUALITY OF LIFE IN THE MILITARY
22 MARCH 1990

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Biography

Master Chief Petty Officer of the Navy



Duane R. Bushey, USN
Master Chief Avionics Technician (AVCM)
(Air Warfare)

Duane R. Bushey was born on May 3, 1944 in Lebanon, New Hampshire. Following graduation from Wicomico Senior High School in Salisbury, Maryland, he enlisted in the Navy in June 1962.

Master Chief Bushey received recruit training at the Naval Training Center in Great Lakes, Illinois and completed Aviation Electrician "A" school in Jacksonville, Florida. He first saw duty at the Naval Air Test Facility at the Naval Air Station in Patuxent River, Maryland, followed by further technical training in an advanced electronics "B" school. He then served on board the aircraft carrier USS Kearsarge (CVS-33), with two follow-on tours as a flight instructor for fleet replacement navigators with Heavy Attack Squadron One Twenty-Three (VAH-123) at the Naval Air Station, Whidbey Island, Washington and Tactical Electronic Warfare Squadron One Thirty (VAQ-130) at the Naval Air Station in Alameda, California, where he served as Celestial and Radar Navigation Instructor.

Master Chief Bushey then served as the Assistant Aircrew Division Officer for the Aircraft Ferry Squadron Thirty One (VRF-31) in Norfolk, Virginia. While serving with VRF-31, he qualified as an overwater navigator in several aircraft, as flight engineer for P-3 Orion aircraft and bombardier/navigator for A-6 Intruder aircraft.

Master Chief Bushey was selected to attend the U.S. Army Sergeants Major Academy in Fort Bliss, Texas in January 1980 and while there received the General Ralph E. Hanes Jr. Award for outstanding research. Following graduation in July 1980 he returned to VRF-31 as Command Master Chief. He then served as Command Master Chief for Commander Tactical Support Wing One in Norfolk, Virginia followed by a tour in 1985 as Command Master Chief in Theodore Roosevelt (CVN-71). On September 9, 1988 Master Chief Bushey became the seventh Master Chief Petty Officer of the Navy.

Master Chief Bushey is entitled to wear a Meritorious Service Medal (two awards), Navy Commendation Medal (two awards), Navy Achievement Medal, Good Conduct Medal (six awards), Meritorious Unit Commendation and Battle "E" (two awards). He is designated an Enlisted Air Warfare Specialist and has accumulated more than 6,000 flying hours and made more than 400 carrier landings.

Master Chief Bushey has received special recognition as Commander in Chief, U.S. Pacific Fleet Sailor of the Year for 1972 and Tidewater Virginia's Military Citizen of the Year for 1982. The Bushey family was selected as Tidewater Military Family of the Year for 1988.

Master Chief Bushey is married to the former Susan Walker Prause of Salisbury, Maryland. They have a daughter Terry and two sons, Duane Jr. and Joseph.

INTRODUCTION/OVERVIEW

Mr. Chairman, distinguished members of the committee, as Master Chief Petty Officer of the Navy, I am grateful for today's opportunity to present my testimony on issues that affect the Navy's enlisted force.

My statement is representative of the enlisted sailors' views and concerns on quality of life issues. I would like to begin by giving a brief overview.

Since 1980, sailors have answered the call to service from the President more than 50 times. They have time and again proven their ability and willingness to respond. In order to maintain that same proven readiness to respond to future orders from the commander in chief, and to do this with a smaller Navy, we must retain a larger portion of our high quality all-volunteer force.

Readiness is a reflection of retention. Retention figures are a direct reflection of the quality of life we provide and the perception of a stable future. Most sailors accept the facts of long deployments away from homeports, cramped living and working conditions and frequent moves of their families and households.

We continue to serve and willingly sacrifice a piece of our own freedom to preserve democracy. We also continue to serve our country because of job satisfaction and good leadership. Let us not forget, however, that adequate monetary compensation, timely promotions, compensation for arduous time at sea, hazardous duty pay and compensation for out of pocket expenses to perform our jobs are also very strong ties to retention of top quality sailors. We have a strong desire to live equal to our civilian counterparts. Today's seagoing professionals are a part of the community in which they live. They show positive involvement and set the pace in the areas of volunteerism, tutoring, equal opportunity and zero tolerance for drugs.

More so now than ever, sailors participate in elections on a scale greater than the national average. They are aware, active and wise about political issues that affect them. They respond to support or lack of it from their elected representatives.

They see but don't understand the erosion of benefits. They see pay raises which actually result in less take-home pay for some. They watch closely their access to medical care, adequate housing and recreational facilities. They see a changing and often attacked retirement plan, which for some is the very reason they signed on. They see their commissaries

under attack, manpower being taken away and restricted use of appropriated funds for Morale, Welfare and Recreation facilities. They see extreme hardships in moving overseas. Moves in CONUS have also become very difficult.

They see that civilian-sector unemployment is low. Within the civilian community they see equal or better paying jobs, better medical, dental and child care. They also see them spending more time with their families, less-frequent moves and better working and living conditions. In the Navy, there is increased difficulty in using CHAMPUS which results in large medical bills. Recently they have read in newspapers that their pay is going to be taxed 50 cents a month to maintain the Naval Home in Gulfport, Miss. They did not object to supporting the home; they were, however, upset about the way in which it was done. In short, I am starting to see a distrust of the system. If I can be allowed to make a prediction, I'd say that the Navy will see an exodus of people in the next few years if we don't continue to build on the positive actions taken in early 1988 and 1989.

The sky isn't totally dark, however. There are many bright spots as well. Readiness and retention are at a high level. In fact, our 1989 retention figures are the highest in the post-Vietnam era. We retained 37.4 percent of our first termers, 56 percent of our second termers and 67 percent of our

careerists. Our overall percentage is 49.2. Enlisted retention reached such a high level because of the positive attitude and actions by Congress, the Department of Defense and the Department of the Navy for people in uniform. Our sailors stayed with us even though everything was not OK because they believed in the system and its support. Together we must keep that faith.

To be able to answer the call to arms with professional, experienced people, we need your continued and increased support in areas of critical concern to the fleet today -- the issues that contribute to a sailor's quality of life. We should look into the future when making decisions, not just over our shoulders into the past. Because retention was good these past years does not mean that we can count on the same or better figures in the years to come. Most young sailors are on four or six year contracts and their commitment means that the actions you take today may not show an immediate retention impact. You can be sure, however, that your actions in 1990 will drive the 1992 through 1996 retention figures. We must keep the best.

II. THANKS

I have highlighted many negatives to this point. I want you to know that the enlisted community also has much

appreciation for the many positive actions you have taken. You have authorized the increase of reenlistment bonuses; begun new travel programs which bring families together more easily; taken some financial burden out of changing duty stations and started recognizing Naval Reservists for their time served in the fleet. Your help in improving Navy medical care has had a positive affect on the well being of Navy families. I would especially like to thank you for giving us more money than we asked for in one instance. You provided us with \$2.5 million for recruiting advertising that was over and above the budget request. This will assist us in attracting the best and brightest.

III. COMPENSATION

A. Basic Pay. We in the military are not seeking a pay scale superior to that of our civilian counterparts. We are seeking comparability. When I assumed my present office, pay was fifth or sixth on the list of dissatisfiers for people getting out of the Navy. In that year and a half, pay has once again risen to the number one and two spots. Military pay lags behind private sector pay by 11.4 percent as figured using the Employment Cost Index. We realize we will never be rich from our military pay, but we would like to have a more comfortable measure of financial security. The FY-1990 3.6 percent raise we received was the bare minimum acceptable. Because of our

troubled federal budget deficit, 12 Navy pay improvement proposals have been postponed until 1992 or later. These include proposals to reimburse members for moving two vehicles instead of one when transferring; providing government-paid house hunting trips for members and their spouses before a transfer to a new duty station; and an increase in the number of days members receive temporary lodging expenses during transfers within the states. Without the passage of these improvements, our transferring sailors will be forced to pay large out-of-pocket expenses. If the disparity in military and civilian sector pay continues to exist or increase, we will be providing incentive for the Navy's best and brightest to seek security elsewhere.

B. Food Stamps. There are many indicators that validate an inadequate pay compensation system. The increase in geographic bachelors (covered later under housing) and the rise in food stamp useage are two. In FY-1989, \$2,065,266 in food stamps were used in Navy commissaries around the world. Of that \$2 million figure, \$1,934,001 were used stateside with \$131,265 used overseas. An untold amount were used in civilian grocery and convenience stores. In addition, commissary customers used \$15.5 million worth of discount coupons. High cost of living areas such as Pearl Harbor, Hawaii, see the biggest use of food stamps. A number of our sailors, especially our married junior enlisteds with children, depend on Navy Relief grants, Family

Service Center food bags, U.S. Department of Agriculture commodities and other civilian social services. Surveys and studies have shown that many sailors with dependents must work part-time jobs as security guards or gas station attendants just to put food on the table. This is more prevalent in high cost of living areas.

C. Enlisted Severance Pay. There has been recent discussion about starting severance pay for regular enlisted members involuntarily separated from the service. If such a pay proposal were enacted, I would strongly hope that it would fairly reflect the member's contributions while serving on active duty and would fully compensate the member for the planned retirement benefits he or she would be losing. I am also concerned that the hard earned progress we have made in building up an experienced and dedicated force would disappear at the stroke of a pen by adoption of a method whereby a member could simply be handed a pink slip. We are dealing with human beings who are special, and we can't afford to abuse the trust they have placed in us just for the convenience of saving money. The impact on "job security" as we know it would certainly be a thing of the past.

D. Stateside Expenses. The current pay system needs improvement. The value of a sailor's pay is drastically reduced when ordered from, as an example, New Orleans to Long

Beach, Calif., or from Mayport, Fla., to Philadelphia. (Low cost to high cost areas.) Yes, VHA is paid to offset the cost of housing but what about the other costs and the single sailor who doesn't draw BAQ and VHA. As an example: A 32-year-old male E-6, with a wife who has to work and a child, has two cars and lives in base housing at Mayport, pays \$1,064 a year for automobile insurance. It costs the family \$15-20 to go out to dinner at an average restaurant. He receives orders to the Philadelphia Navy Yard. His wife has to quit working, his insurance increases to \$5,662 a year, if he can get base housing and even more if not. Taking his family of three to dinner at an average restaurant will cost twice or three times as much. Winter clothes are now needed, sales tax increases, tolls are the norm instead of the exception. The single sailor may find their buying power reduced by one-third. The bottom line is, sailors in low cost areas can't afford to move if ordered to a high cost area. They become geographic bachelors and a negative retention statistic. People stationed in high cost areas want either out of the area, adequate compensation or out of the service.

IV. HOUSING

A. Family Housing. Navy family housing is steadily becoming more attractive to enlisted sailors. The increased demand for family housing is based on two reasons: 1. A renewed desire

for a close-knit community and availability of base assets; and

2. Simple economics. Navy bases are predominantly located on the country's east and west seaboard. Norfolk; Washington, D.C.; San Diego and San Francisco, our major naval centers in the U.S., are all high cost of living areas. The lack of Navy family housing forces our people to seek housing in the civilian community. Housing in these areas is either extremely expensive or in the slums. To find affordable housing in safe neighborhoods, many sailors are driving in excess of 70 miles a day on already congested highways. On average, those living off base spend approximately 21 percent more on housing than their counterparts living in military owned housing. These hardships are driving families to military housing, where there currently is a shortfall of 52,000 units worldwide. By 1993, it is projected to reach a deficit of 55,000. In addition, many are opting to become geographic bachelors, leaving their families in established, safe and affordable areas. This has a negative impact on the morale of an increasing number of our married sailors and increases the strain on our already critical bachelor housing. I encourage you to continue and increase your support of housing construction programs, such as our 801 Housing and Capehart projects to provide adequate, affordable and safe housing for our sailors.

B. Bachelor Quarters. Housing for our single sailors is just as critical as family housing. Shipboard berthing areas are

cramped, claustrophobic, noisy and are full of varied work schedules and almost 24-hour-a-day activity. Many of you have visited our ships but never spent a night in enlisted berthing. Try it. We accept the lack of privacy and normal comforts associated with shipboard living. Conditions are not great, but they are getting better because of major habitability improvements achieved on modern ships. Bachelor housing becomes critical when that sailor reports for much deserved and earned shore duty. They expect improved living standards, but often do not find them. Currently there is a shortfall of 84,000 racks in our shore-based commands. What is available is often substandard World War II barracks with inadequate communal heads, poorly designed and maintained heating and air conditioning, if any at all. The option to live off base is virtually nonexistent because of the high cost of living. All of this adds up to make life outside the Navy look more attractive, comfortable and less restrictive. The obvious happens -- retention suffers. Additional and improved single housing ashore is a must in the scheme of quality of life.

C. Geographic Bachelors. Despite the efforts of the Navy and Congress to make moving easier for families, it is still very difficult. The unavailability of affordable housing and the lowered buying power I mentioned above is causing an increase in the number of geographic bachelors. This puts an additional strain on the ability of the system to adequately house true

bachelors. Families willing to endure the difficulties often must sell houses at a loss, spouses must give up career opportunities and often lose money. Children are uprooted and sometimes placed in inadequate school systems. Sailors arriving stateside from overseas often must use additional leave time to resettle their families.

D. BAQ/VHA Inequities. Approximately 31 percent of military families live in base housing. The remaining 69 percent live on the economy and receive Basic Allowance for Quarters (BAQ) and Variable Housing Allowance (VHA) or Overseas Housing Allowance (OHA). As I stated before, the combination of BAQ and VHA or OHA is not sufficient in high cost of living areas. Food costs, tolls and other regional expenses are not figured when computing an area's VHA. Although the Joint Service Study Group report on housing allowances is not completed and has not reported, DoD Compensation is looking at a major modification to the way housing allowances are calculated. BAQ and VHA are currently figured using survey-derived national median housing cost and local median housing cost figures. OSD Compensation is looking at a system that will tie housing allowances to housing costs, as measured by fair market rental values instead of member-reported expenses. The Navy, as the service with the greatest number of people drawing VHA, has the most interest in any changes or modifications and will be closely monitoring any proposals. We must support any proposals that will increase

the quality of life of our sailors and make moving less of a hazard and sacrifice.

V. MORALE, WELFARE AND RECREATION (MWR)

A. Homeporting. Department of Defense policy authorizes the use of military construction (MILCON) funds for building Morale, Welfare and Recreation (MWR) facilities at our new strategic homeporting sites. Your continued support in funding these facilities in the proper priority is urged. MWR facilities, with the exception of gyms and child development centers, are not presently competitive in the MILCON process. In the Navy there are over 190,000 single sailors under the age of 24 that we have an obligation to provide entertainment and recreation for. Ball fields, movie theaters and hobby shops are considered an earned benefit by the fleet. As we develop new homeports, we need to ensure that adequate facilities for recreation receive the same priority as piers and shops. Otherwise, the burden is on the sailor. The cost of building exchanges to serve our families comes out of MWR dollars. As appropriated funds for MWR were restricted, new homeports such as Staten Island were being built. Much of the cost for support facilities comes out of the sailor's pocket. Many of these young sailors, teenagers, are away from home for the first time. It is important that positive lifestyle and behavior modification takes place. The modern chief petty

officer not only has to train sailors to be sailors, they share the training responsibility of teaching healthy living and community support. MWR facilities are absolutely essential and have a direct impact on readiness and the training process. All MWR facilities should be able to compete for MILCON dollars, not just gyms and child development centers.

B. Clubs. We have learned a lot about clubs in recent years. The management has made drastic improvements on many bases. Not all clubs were perceived as being essential; many clubs combined and worked well, some didn't. What works in one location may not work in another. Many clubs were built when efficient operation was not a consideration. Officer and chief's clubs were viewed as an extension of official meeting places and even classrooms in the past. The rules changed and appropriated funds disappeared and we were stuck with obsolete buildings and in some cases, equally obsolete managers. My plea to you is: Ensure appropriate funds are maintained at an adequate level to allow smooth transitions, ensure isolated and overseas sites and even stateside stations where options are limited receive the proper amount of appropriated funds. Take away hiring restrictions and food purchase constraints that make our clubs non-competitive with the civilian community. If you do that, we will be able to save a valuable benefit for our enlisted families.

C. Child Care. Service member to service member marriages are on the increase. The number of single parents in the Navy has also slightly increased. Both cases can be very tasking while pursuing a career as a sailor. Even though I would not encourage it for most, many do quite well and it's a fact of life. We must continue to support these sailors and all sailors with appropriate dollars for child care and child development as it affects overall readiness of our fleet units. Finding and keeping adequate and affordable child care by our sailors is much more difficult than in most professions because of deployments, sea duty, lack of the ability to establish routine work hours and transfers necessary in support of sea/shore rotation. Child care is very high, number two or three, on the list of concerns I hear from sailors.

VI. FLEET CONCERNS

The following are a few issues that are top concerns I hear from enlisted audiences I address in my travels. Most of these cost money which is not included in our budget. If and when any of the proposals are authorized, funds also need to be appropriated.

A. Mandated U.S. Meat Procurement. This measure mandates the replacement of locally procured meats with U.S. grown products in European commissaries. You provided a \$28 million subsidy

that will decrease each year until 1992 and then disappear. When the subsidy money runs out, sailors will have to absorb the cost, which will be about double what they pay now. This measure is hurting sailors and the tax payer. Navy families overseas deserve to enjoy the same quality of life as their stateside-based peers. A member of your staff said last year, "The commissary mission is to offer American products at standard prices." Many Navy families in Europe perceive that there will be a marked increase to the price of meat products. This measure also has an impact on the meat's shelf life. The shelf life of meat after it is vacuum packed and boxed is about 40 days. It will take almost half of that time to reach its destination. Additional days will be needed for in-country processing, cutting and marketing. After the maximum allowable time, the meat will still be "fit for human consumption," but will steadily deteriorate in taste, texture and color. This issue has been explained and understood by most but they still perceive that they were used.

B. Privately Owned Vehicle (POV) Storage. When a sailor transfers to Japan and a few other countries, they can't take their POV with them. Currently, Navy people either must sell their vehicles or pay storage fees themselves, unless a friend or family is willing to care for it. If the vehicle is relatively new and must be sold, it is almost certain that the sailor is going to lose money on the deal. They also have the

additional cost of purchasing a car when they arrive at their new overseas assignment. We are only seeking authority to pay for storage of these vehicles and the authority to compensate members for the cost of driving the vehicle to a storage site.

C. Removal and Reinstallation of Catalytic Converters.

American cars manufactured after 1972 have catalytic converters which require the use of unleaded fuel only. Unfortunately, unleaded gasoline is not available in most foreign countries where sailors are stationed and allowed to bring their automobiles. Navy people ship approximately 12,500 vehicles to and from overseas locations annually. The converters must be removed before the vehicle is shipped and reinstalled upon its return to the states. It costs an average of \$250 to remove and/or reinstall the converters, depending on the make and model of the car. That's an annual reimbursement of \$3,125,000. This is a valid expense that should be reimbursed, and not lost out of the sailor's pocket. Legislation must be drafted and passed to change current laws.

D. Military Banking Facilities/Direct Deposit. We have been directed to go to the Direct Deposit System (DDS). Navy people have backed the system and many sailors have reluctantly signed on, but our sailors on ships at sea are finding it's not always easy. The purpose of the system is to save the government money. Now it looks like we have directed the cost into the

pocket of the sailor. Sailors, especially those on sea duty, are very mobile and may visit several different foreign ports during a six-month-long deployment. Military Banking Facilities (MBF), which are subsidized from appropriated funds, are now authorized to charge \$3 for cashing a check, or one percent, whichever is greater, from non-members of that particular banking institution. Yes, most ships still carry cash but the ship isn't always convenient. Personnel stationed overseas feel they have been forced into using MBFs that do not necessarily provide the friendly service their hometown bank or credit union does. They see this as another decision that was made in Washington, D.C., that took money from their pockets with no warning or input.

E. Filipino Immigration. There are 19,109 Filipino nationals on active duty in the U.S. Navy. The Immigration and Nationality Act does not allow them to become U.S. citizens because they enlist in the Navy in the territorial jurisdiction of the Republic of the Philippines, under terms of the Military Base Agreement of March 14, 1947. They come to this country under orders, without an immigrant visa, as other aliens would. These loyal, dedicated and professional sailors are not able to obtain immigrant status. If they are married to other Philippine nationals, neither the service member nor the spouse may work in this country, yet they pay Social Security taxes and willingly go in harm's way. House Resolution 1286 proposes

"To amend the Immigration and Nationality Act to provide for special Immigrant status for certain aliens who have served honorably (or enlisted to serve) in the Armed Forces of the United States for at least 12 years." The bill was passed by the House in November 1989 and is awaiting Senate consideration. I urge your support in passing this bill this year for several reasons. It would remedy the current inequity between loyal Filipino service members and other alien enlistees. Annually, thousands seek enlistment, but only 400 of the best and brightest are accepted. They must meet demanding requirements in a selective screening process. Many of them hold college degrees. First term attrition is less than five percent. The biggest and most positive improvement would be to the morale and financial security of those proven and valuable sailors. Many of you have supported this proposal or like ones, but each year it gets pushed into the "hold basket." This amendment is the right thing to do for our dedicated sailors. We need its passage.

F. Additional Dependents. Parents-in-law and other wards living with sailors and dependent on their support should be officially termed "dependents" and receive the same privileges as a spouse or child. Currently, sailors in such positions face large expenses when they must move such family members, especially overseas, when those members aren't eligible for benefits and allowances.

G. Special Uniform Requirements. Increase the amount paid to sailors on recruiting duty, serving as recruit company commanders and band members. The expense they incur is greatly increased from those on normal assignments.

H. Hazardous Duty Pay. Since 1985, hazardous duty pay for enlisted sailors has been set at \$110 per month, before taxes. This includes our sailors working on flight decks, who average 19 years old, and others in critical and dangerous jobs. Often these people work 16 or 18 hours a day in conditions that range from snow and rain to the dark of night. The value of this hazardous duty pay has greatly decreased in the past six years. For FY-1992 we are seeking to increase that pay to \$165.

I. Service Member to Service Member Marriage and BAQ/WIA.

Current laws and regulations are inadequate for service members married to other service members who have no children. Under present rules they each draw single BAQ while both are on shore duty. When one goes to sea duty, that person loses all BAQ entitlements. They still either own or rent a house to live in, as most married couples would, yet their pay is greatly reduced. There are cases where both could lose BAQ because of sea duty and low occupancy in the barracks. Here's an example: An E-4 is married to an E-3, both are on shore duty and draw \$219.60 and \$215.70 single BAQ, respectively. The E-3 goes to

sea duty and they lose \$215.70 in BAQ, \$177 in Basic Allowance for Subsistence (BAS) and are not eligible for sea pay. This situation is unique to the sea services.

J. BAQ for Shipboard Sailors. Currently, the books read that single sailors assigned to ships are provided adequate quarters and are not eligible to draw housing allowances. If you have ever been on one of our newest Nimitz-class carriers, you know that berthing spaces are less than what is considered adequate. Privacy to write a letter or read a book is only wishful thinking. Watching television or just looking for an uncrowded place to relax after an 18-hour day is difficult, if not impossible. Sailors call their beds "coffin racks;" that's about how big they are. The coffin rack is not just a place to sleep, it is home, 365 days a year for the single sailor. In its 2.5 foot wide, 6.6 foot long and 10 inch deep insides are stowed all of their belongings. Again I emphasize this is their home, 365 days a year. There are no private rooms, private heads, bike racks or large storage areas; yet by the written rules this is classified as adequate quarters. Therefore, BAQ cannot be drawn by a single E-6 or below sailor. The majority of our single people are on ships. We must compensate them in the form of BAQ and sea pay. To compound the problem, when a single sailor is ordered overseas or into a stateside area where barracks are not available, that person is forced to live on the economy and set up

housekeeping. When that same sailor is ordered back to sea and provided the coffin rack, they lose BAQ. What does that sailor do with the household goods needed at his last duty station; sell at a loss or store the goods at their own expense? Paying members in that situation a Basic Allowance for Quarters would enable that person to acquire a temporary storage facility without suffering yet another out-of-pocket expense.

K. COLA Inaccuracies. The way in which a sailor's Cost of Living Allowance is figured is inaccurate, self-defeating and hurting the person it is designed to help. COLA is figured by means of a survey which asks people how much they are spending. In high cost areas they are driven to lower economic standards, which results in less spending reported on the survey and ultimately in lower COLA. Because of insufficient COLA rates our overseas sailors and their families are limited to activities within the confines of a military base. I think you can see the "Catch 22" our sailors are in. They cannot afford a \$10 per person lunch at an American-style hamburger restaurant in Japan. For a family in Yokosuka to travel to a park in nearby Atsugi, it costs at least \$13 in tolls. The trip from some Navy housing areas to the base at Yokosuka is a \$10 a day affair. This out of pocket financial burden is restricting our sailors and their families from enjoying the cultural benefits of an overseas duty assignment and is

damaging to our international relations. Job opportunities for spouses are also severely limited in overseas location.

VII. SUMMARY

We in the Navy and our fellow brothers in arms have a full appreciation for the difficulties of your jobs. We understand that you must be ever aware of balancing the budget, carrying out the wishes of those that elect you and doing the best possible for them and our country. What we, as enlisted sailors, want is concern, understanding and support for what we sacrifice for our country. We don't want superiority over the people we serve and protect; we want an equal standard of living and quality of life. We want to be able to afford to have a family and to care for them with a reassuring sense of security, that when we deploy and carry out our orders, they will be well cared for. We want adequate housing, pay, medical care and recreation. Those of us who have a hand in painting the big picture of personnel management want our sea service professionals to get what they deserve for the unique sacrifices they make. The Navy's FY-1991 budget includes money for timely promotions, stable rotation requirements and special pay and bonuses for those deserving and qualified. These factors are absolutely essential. If we can't do that, we can't expect to retain the best and brightest we have worked so hard to recruit. The success of 1988/1989 retention figures

demonstrates how effective the proper balance of compensation issues are on retention. There is a shrinking pool of eligible young people to serve in our armed forces. Therefore, we must do our best to recruit, train, compensate and retain those people. Our men and women continue to perform their assigned tasks at the highest levels of readiness and professionalism. They are aware of their obligations; morale and esprit de corps are at a high level.

They realize that the Navy must do its part in solving this nation's budgetary problems. They are smart, they are politically aware and they know how you stand on the issues. This understanding goes a long way until it hits the point where they cannot provide an adequate and secure standard of living for their families and themselves. When this feeling is stimulated there are two reactions: They start looking elsewhere for security which reduces retention and readiness; and they let their feelings be known to family and friends which has a big impact on recruiting. "Do the right thing, what's best for the sailor," is the order of the day in our Navy. I'm asking for your support of issues that are the right thing to do -- what's best for this country must always come first.

Mr. HEFNER. Thank you, sir.

Our next witness is Sergeant Major Sommers of the Marine Corps. I would like to mention that Congressman Thomas has just joined us from the State of Georgia. Our next witness is Major Sommers of the Marine Corps.

STATEMENT OF SERGEANT MAJOR SOMMERS

Sergeant Major SOMMERS. Thank you, sir.

Again, I appreciate the opportunity to appear before this committee to bring you the views of the enlisted Marines in the field. I know you have a lot of tough decisions to make this year with the dwindling dollars.

I hope the information we bring you and the comments we bring you from the field will assist you in making those tough decisions. This committee last year was instrumental in assisting us in putting in a real dent in the housing shortage in the Southern California area, and I would like to tell you that we certainly appreciate that effort.

Because of you, the housing shortage in California this year is much less than it was last year, and I am speaking in terms of El Toro and Camp Pendleton, so thank you very much. I am prepared to answer any questions.

[The information follows:]

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THE HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF
SERGEANT MAJOR DAVID W. SOMMERS
UNITED STATES MARINE CORPS
SERGEANT MAJOR OF THE MARINE CORPS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
UNITED STATES HOUSE OF REPRESENTATIVES
CONCERNING
QUALITY OF LIFE IN THE MILITARY

NOT FOR PUBLICATION UNTIL RELEASED
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UNITED STATES MARINE CORPS

DIVISION OF PUBLIC AFFAIRS • HEADQUARTERS MARINE CORPS

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SERGEANT MAJOR DAVID W. SOMMERS, USMC

Sergeant Major David W. Sommers assumed the post of Sergeant Major of the Marine Corps on June 26, 1987. Prior to this assignment, he was the Director of the Staff Noncommissioned Officers Academy at the Marine Corps Development and Education Command, Quantico, Va.

Sergeant Major Sommers was born in St. Louis, Missouri on Feb. 18, 1943 and attended Bishop DuBourg High School. He enlisted in the Marine Corps on March 25, 1960.

He underwent recruit training at the Marine Corps Recruit Depot, San Diego, Calif., then attended Infantry Training at Camp Pendleton, Calif. Upon completion of I.T.R., he was assigned as a Browning Automatic Rifleman with Company E, 2d Bn, 1st Marines, 1st Marine Division at Camp Pendleton, Calif. While with Company E, he was promoted to PFC, lance corporal and corporal and served as a fire team leader and squad leader.

Transferring overseas with the 1st Bn, 9th Marines, 3d Marine Division, Sergeant Major Sommers served as a squad leader and platoon guide with Company D of the 1st Bn. Returning from overseas, he reported to The Basic School, Quantico, Va., where he was assigned as a Hand-to-Hand Combat and Water Survival instructor. While in this assignment, he was promoted to sergeant.

In 1964, he was transferred to Hawaii and assigned to Company K, 3d Bn, 4th Marines, 1st Marine Brigade, as a squad leader and subsequently deployed with that unit to the Republic of Vietnam in March 1965. During May of that year, he was assigned to the first Combined Action Company to be formed in Vietnam. He served as a squad leader and platoon commander of a Popular Forces Platoon. For his combat service in Vietnam, SgtMaj. Sommers was awarded the Purple Heart and the Navy Commendation Medal with Combat "V".

He returned to Parris Island for a tour as a Drill Instructor in April 1966, where he was assigned as a Junior and Senior Drill Instructor with Company K, Second Recruit Training Battalion. While in this assignment, he was promoted to staff sergeant.

In 1968, he returned to Vietnam for a second tour, serving as Company gunnery sergeant of Headquarters Company, 7th Marine Regiment, 1st Marine Division. He transferred back to Parris Island the following year for duty as a Senior Drill Instructor with Company E, 2d Battalion, Recruit Training Regiment. Upon promotion to gunnery sergeant, he was assigned to the Drill Instructor School, where he served as Drill Master.

From December 1973 until February 1974, he attended Marine Security Guard School, and upon completion of school, was assigned to the American Embassy, Caracas, Venezuela, as NCOIC of the Marine Detachment.

SgtMaj. Sommers returned to Washington, D.C., in August 1975, to serve as Instructor and Chief Instructor of the Marine Security Guard School. While in this assignment, he was promoted to master sergeant and redesignated to the rank of first sergeant.

During August 1977, he reported to the 3d Force Service Support Group on Okinawa, where he was assigned to the 9th Engineer Support Battalion. Ordered back to Camp Pendleton, he was assigned as the Activity First Sergeant at the Marine Corps Tactical Systems Support Activity. He was promoted to Sergeant Major in October 1980, and was assigned to the Marine Corps Recruit Depot, San Diego, as the Battalion Sergeant Major of the 2d Recruit Training Battalion.

He transferred to Camp Lejeune, N.C., in June 1982, as the Battalion Sergeant Major, 1st Battalion, 10th Marines, 2d Marine Division.

Ordered back to Quantico in December 1983, he served as the Sergeant Major of The Basic School. He then reported to the Marine Corps Air Ground Combat Center and 7th Marine Amphibious Brigade, Twentynine Palms, Calif., in July 1985, for duty as the Combat Center Sergeant Major and 7th Marine Amphibious Brigade Sergeant Major.

Sergeant Major Sommers was assigned as the Director of the Staff Noncommissioned Officers Academy, Quantico, Va., in June 1987. He was selected as the 11th Sergeant Major of the Marine Corps on June 18, 1987, and assumed the post on June 26, 1987.

His decorations and medals include: the Legion of Merit; Purple Heart; two Meritorious Service Medals; three Navy Commendation Medals with Combat "V"; two Navy Achievement Medals; Combat Action Ribbon; Presidential Unit Citation with bronze star; Navy Unit Commendation; Meritorious Unit Commendation; Good Conduct Medal, 8th award; Vietnam Service Medal; Sea Service Deployment Ribbon; Vietnam Presidential Unit Citation; Vietnam Meritorious Unit Citation, Civil Action Color; and the Vietnam Campaign Medal with device.

Sergeant Major Sommers is married to the former Yvette Valentine of Illinois. They have a son, Kenneth.

(Revised Jan. 28, 1988 HQMC)

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to speak to you about the quality of life of your enlisted Marines. This is the third year that I have been privileged to report to you their concerns.

Your Marines understand that our world is changing. They realize that there is a great deal of uncertainty regarding the future of our military structure, and they realize resources are limited and insufficient to do all things for all people. However, as our forces adapt to the changing environment, we must maintain the confidence of our service men and women. Early outs, reductions in force, and decreases in benefits have the potential to create a perception that the commitments made at the time of enlistment are not being honored. This perception could have a dramatic effect on our ability to maintain readiness. Recognizing the limits of available funding and the concern of the Committee to ensure that the funds are wisely used, I will direct my comments to the areas I believe to be the most critical.

Today's Marine

The men and women of our Corps are motivated and dedicated. Although they join the Corps for a variety of tangible reasons, such as pay and benefits, the majority make their commitment to serve for the intangible reasons. The desire to serve, the challenge of being a Marine, and our esprit de corps are the primary reasons for initially selecting the Corps. The men and women who join the Corps are eager and determined to earn the right to be called Marines and to share in our traditions of

comradeship and selfless dedication. Although the intangibles remain at the heart of a Marine's commitment to serve, as they set higher personal goals and assume additional responsibilities such as dependents, the tangible benefits increase in importance. This is why, if we are to continue to attract and retain quality Marines, we must provide support for those issues deemed to be important to them such as promotion opportunity, pay, and benefits.

Promotions and Reenlistment

I have identified promotion opportunity and pay as the primary reasons why Marines decide to leave the Corps. Previous manpower policy decisions created rank and structure imbalances in many of our occupational specialties. This resulted in a situation which denied many of our Marines equal opportunity for promotion. We had created a "bottleneck" in our promotion pyramid which unfortunately had the greatest effect on our career level Marines. In response to this problem we have improved our Enlisted Career Force Controls. The active measures we have taken created a better balance between first-term and career force requirements. The end results of our actions will be standardized promotion timing and opportunity, relief from critical MOS shortages, and a balanced level of experience in each grade. These actions, coupled with your continued support for our Selective Reenlistment Bonus program, will pay great dividends in the retention of our trained and experienced Marines.

Military Pay

A key component of readiness is the attraction and retention of high quality personnel. In order for us to maintain our readiness, it is imperative that military pay be adjusted to and maintained at reasonably comparable levels with the civilian sector. With the exception of the FY 1989 pay raise, military pay increases have been capped below those in the private sector. As a result, we continue to lose comparability with the private sector as measured by the Employment Cost Index. On 1 January 1990, the comparability gap between military and civilian pay was 11.4 percent. The revised FY 91 raise of 3.5 percent will further widen the gap. It is my opinion that the gap needs to be closed now.

Our enlisted career force personnel require the most help in reaching pay equitability. In order to achieve the needed comparability, we need to pursue a combination of larger pay raises and a targeted rank distribution similar to the FY 82 pay raise. If we fail to address this issue, it will become increasingly difficult for us to enlist and reenlist quality personnel when their pay and benefits are inferior to alternative, less demanding careers.

Evidence of this widening pay gap can be found in several areas. The number of Marines with part time jobs is increasing. Further evidence is the growing number of Marines maintaining separate households. These Marines are commonly referred to as geographic bachelors. When ordered to high cost duty station

areas, they choose to move to their new duty station without their families. This is especially true in areas where we do not have adequate housing, such as Washington, D.C., Kansas City, New Orleans, and numerous independent duty stations throughout the country. We must avoid a situation where inadequate pay causes dedicated Marines to make the difficult decision to leave the Corps.

Dependents

At the entry level, the perceived value of medical, housing, exchange and commissary savings, basic allowance for quarters, and variable housing allowance creates a sense of security which influences our young Marines to assume the responsibilities of family life sooner than they would in the civilian community. Almost 28 percent of our junior Marines are married (32,799 out of 119,192). The average age of their spouses is less than 19 years old. In addition, 510 of our junior Marines are single parents. The net result is that today there are about 211,000 dependents in our Marine family (officer and enlisted) - an increase of over 350 from last year's figure. This increase has resulted in greater emphasis on all of our family oriented quality of life programs to include: housing, family services, day care and medical care.

In spite of our efforts, we are continuing to fall short of our goals. Our housing efforts, although considerable, are unable to keep pace with the expanding dependent population. We continue to experience shortages in the numbers of doctors,

nurses and corpsmen needed to care for our active Marines, dependents and retired community. The CHAMPUS Reform Initiative has helped to improve the timely payment of claims, but we continue to burden our families with too many late payments.

The most alarming and disturbing fact associated with the rising number of dependents is the number of Marines in the service of their country who must rely on Food Stamps to meet their basic living requirements. Last year, Marine Commissaries took in almost \$400,000 worth of food stamps. Even more disturbing is that many Marines who should have been eligible for Food Stamps could not receive them because they lived in the civilian community and were receiving basic allowance for quarters. Many of these Marines living in high cost areas are in desperate need of the program.

As a result of operational deployments, a significant number of these Marine families had the additional financial and emotional strain associated with family separation. While we have reduced the number of unaccompanied tours overseas, training and operational deployments have increased. For our married Marines, life in the field, aboard ship, or on foreign soil is inevitably more stressful. The cost of maintaining two separate billets, family separation, and child care are all detractors from our readiness focus. Throughout the Corps, we are taking the actions needed to minimize their effect.

Retirement Benefits

Our treatment of retirees has an impact on enlistment and

retention. The way we treat our retired warriors influences the career decisions made by our men and women. We must remember that our retired community continues to serve. Many are a great asset to their community, and continue to be active in supporting military recruiting and service organizations around the country.

As I talk to our retired service men and women, they continually express concern for the erosion of their benefits. The two most common questions I am asked to answer are: "Does anyone care?" and "What will we lose next?" At a time in their lives where every benefit is needed, the value of their benefits is decreasing. This year their primary concern is the Cost-of-Living Allowance (COLA).

Retired members of the military receive cost-of-living adjustments each year. These adjustments are designed to keep retirees pay in step with inflation. The proposed FY 91 budget calls for permanently reducing the future COLA adjustments by CPI minus one percent beginning in FY 92. There would be no increase for FY 91. I am opposed to these actions for the following reasons. They will erode military retired pay by 15 percent for pre-August 1986 members. For those already retired there is no provision to "grandfather" these actions. Inflation protection has been eliminated and it reduces the value of service annuities which are based on retired pay. I am particularly concerned that the proposed changes have the greatest effect on our enlisted force which historically has retired younger with fewer years of service. For example, under the current system, a gunnery

sergeant, 40 years old who retires with 20 years service on 1 May 1990 would suffer a substantial reduction in retired pay. Computing his pay out to age 62 would show a real loss of \$52,860. A significant loss.

Another area of retiree concern is the Armed Forces Retirement Homes (AFRH). These homes provide quality care for our retired warriors. Although experts in the fields of gerontology and health care have been placed on the AFRH oversight board, I recommend that this committee support the placement of an enlisted member on this board. I believe it is important to place someone on the board who is an "expert" in the lifestyles of our retired military community.

Conclusion

People must always remain our highest priority. If we care for them, their families, and their quality of life they will continue to sustain us. I am extremely proud of the Marines and Sailors in our ranks. Their courage, devotion to duty, and selfless commitment to keep our country free can be readily found at every station, base and ship. We have reached a level of excellence that is unprecedented in the history of our Nation's military forces. We appreciate your concern for the quality of life in your military and we seek your continued support. Regardless of budget reductions, we cannot return to the poor state of readiness that we experienced in the 70s. We have reached a standard of excellence and state of preparedness that is good for our Country. We should not repeat the mistakes of

the past. With your continued support, we will not fail. In short, your Marines are ready for the challenges of the future.

Mr. HEFNER. Thank you.

We will now hear from Chief Master Sergeant Binnicker of the Air Force.

Chief BINNICKER. Thank you, sir. Mr. Chairman, thank you for inviting us back, and the fact that you invite us back is impressive, and we appreciate your support and what you do for our people. I have no further remarks, but I entertain all your questions.

[The information follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON MILITARY CONSTRUCTION

HOUSE OF REPRESENTATIVES

SUBJECT: QUALITY OF LIFE IN THE MILITARY

**STATEMENT OF: CHIEF MASTER JAMES C. BINNICKER
CHIEF MASTER SERGEANT OF THE AIR FORCE
HEADQUARTERS, U. S. AIR FORCE**

MARCH 1990

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UNITED STATES HOUSE OF REPRESENTATIVES**



Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

CHIEF MASTER SERGEANT OF THE AIR FORCE JAMES C. BINNICKER

Chief Master Sergeant of the Air Force James C. Binnicker is adviser to the secretary and the chief of staff of the U.S. Air Force on matters concerning welfare, effective utilization and progress of the enlisted members of the Air Force. He is the ninth chief master sergeant appointed to this ultimate noncommissioned officer position.

Chief Binnicker was born July 23, 1938, in Orangeburg, S.C., where he graduated from Aiken High School in 1956. He graduated from the U.S. Air Force Senior Noncommissioned Officer Academy in 1973 and the First Sergeant Academy in 1974.

He entered the Air Force in August 1957 and received basic training at Lackland Air Force Base, Texas. He was then assigned to the 96th Air Refueling Squadron, Altus Air Force Base, Okla., as a life support specialist until 1963. He then cross-trained to the air operations career field and transferred to the 816th Strategic Aerospace Division, also at Altus, as an air operations specialist. In July 1964 he was assigned to the 1502nd Air Transport Wing (later became 61st Military Airlift Wing) as noncommissioned officer in charge, wing operations, Hickam Air Force Base, Hawaii.



From August 1967 to August 1968 Chief Binnicker served with the 4th Strategic Aerospace Division, Grand Forks Air Force Base, N.D., as NCOIC of base operations. He then transferred to Binh Thuy Air Base, Republic of Vietnam, where he served as NCOIC of base operations with the 22nd Tactical Air Support Squadron. While in Vietnam he was assigned to the Republic of Vietnam Armed Forces Language School, Saigon, as a language instructor. Leaving Vietnam in September 1969, Chief Binnicker moved to Robins Air Force Base, Ga., as an air operations superintendent in the 58th Military Airlift Squadron.

He became the NCOIC of wing operations, 374th Tactical Airlift Wing, Ching Chuan Kang Air Base, Taiwan, in May 1971. Upon returning to the United States in August 1972, the chief served as operations superintendent, base sergeant major and wing senior enlisted adviser with the 4th Tactical Fighter Wing, Seymour Johnson Air Force Base, N.C. In September 1975 he was assigned to 12th Air Force, Bergstrom Air Force Base, Texas, as the senior enlisted adviser.

Chief Binnicker served as the Air Force enlisted representative and senior enlisted adviser on the President's Commission on Military Compensation from October 1977 to April 1978. He returned to 12th Air Force as senior enlisted adviser and in June 1978 he was appointed senior enlisted adviser to the commander in chief, Pacific Air Forces, Hickam Air Force Base. In June 1981 the chief was assigned to Randolph Air Force Base, Texas, first as chief of the Enlisted Retention Division, Manpower and Personnel Center, and in May 1982 he was appointed assistant

(Current as of October 1986)

OVER

for chief master sergeant matters. In February 1985 Chief Binnicker was selected for the 33 Year Extended Tenure Program. He became senior enlisted adviser to the commander, Tactical / Command, Langley Air Force Base, Va., in May 1985. He assumed his present duties in July 1986.

His military decorations and awards include the Legion of Merit, Bronze Star Medal, Meritorious Service Medal with three oak leaf clusters, Joint Service Commendation Medal, Air Force Commendation Medal with one oak leaf cluster, Vietnam Service Medal with three service stars, Republic of Vietnam Gallantry Cross with Palm and Republic of Vietnam Campaign Medal.

He is married to the former Jan Chambers of Kenansville, N.C. They have two sons, Carmen and Michael.

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, I appreciate the privilege to again appear before you in my capacity as the Chief Master Sergeant of the Air Force to talk about issues affecting the Air Force enlisted force. Let me start by thanking you for your past support for people programs, which have allowed us to build the best Air Force in the history of this country, and in my mind the world.

We especially want to thank Congress for approving the 3.6 percent across the board pay raise this year, allowing us to pay an increased Dislocation Allowance, and authorizing lump-sum payment of move-in overseas housing costs. Finally, restoration of per diem equity has significantly helped enlisted members meet expenses incident to official travel.

The quality of Air Force enlisted personnel has never been better. In my role as the Chief Master Sergeant of the Air Force, I travel approximately 75 percent of the time visiting Air Force people around the world. In my private and public discussions, I get a strong feeling that morale continues to be good and our people are very proud to serve in the defense of this nation. They willingly serve with honor and with a strong commitment to preserve democracy, and the American way of life. The Air Force is committed to maintaining this level of quality. However, our members want to have a quality of life equal to their civilian counterparts. Therefore, it is very important that our compensation and benefits packages are fair and equitable, providing adequately for them and their families.

As we enter a new decade, we face the challenging task of maintaining a smaller force of motivated, high quality people to accomplish the mission. Current FY 90 Congressional budget reductions, and the impacts of the Gramm-Rudman-Hollings Act sequestration, coupled with continuing budget deficits have placed us in a critical position. We have taken some actions that will affect our people, their families and the mission for many years. For example, because of end strength reductions, we reduced enlisted accessions from 54,000 to 36,000. Additionally, we have implemented widespread enlisted separation programs, reduced Permanent Change of Station (PCS) moves and limited selective reenlistment bonus payments.

These drastic measures were implemented to meet FY 90 budget shortfalls. Projected FY 91 end strength, will result in force-wide undermanning. In the late '70s, we used the term "Hollow Forces" to represent this undermanning situation. Many of our older Noncommissioned Officers (NCOs) remember, as I do, those days. They lived through that time and don't want to do it again. They tell me "we can't do more with less anymore." They believe that we will either do less, or invite accidents. The seniority and experience levels we have today are the reasons our readiness has not dropped to date.

The FY 90 budget shortfalls have caused us to rethink our position on several issues. In the past, we denied

reenlistment to airmen only for quality factors. However, due to current and projected end strengths, we will be forced to limit the reenlistment opportunity for qualified airmen who want to stay with us. We have not previously supported enlisted severance pay because we didn't envision ever having to limit reenlistment to highly qualified and dedicated people who asked to stay. That vision has now changed and we are seeking the provision of separation pay for those quality tenured enlisted people who may not be given an opportunity to complete an Air Force career. Additionally, to continue to accomplish a balanced force reduction in the future, the Air Force is going to need to take other measures that we have not taken in the past. In addition to limiting reenlistment opportunity, we are lowering the high year of tenure of otherwise qualified and dedicated NCOs. These actions will directly impact our experience levels and our ability to sustain readiness.

Our members are well aware of the problems this country faces because of the deficit and they have accepted the budget cuts over the past several years as necessary. They also recognize that the Air Force will be smaller in the future; however, they do not want "hollow forces" and therefore they hope that force structure changes are made effectively, allowing us to fully man those units the Congress and the Administration decide are required.

Let me state emphatically, that commitment to our people

will be one of our driving factors, as we continue to make these major force changes. By setting standards of commitment early in the process, I believe, we will emerge with people who have faith in their leadership and commitment to mission. Your commitment to these standards and our people will ensure we retain a capable high quality force -- this is our goal.

History reveals that in 1979, a combination of economic factors, successive military pay caps, and expanded private sector job opportunities drove many of our talented and experienced NCOs out of the service. Similar conditions are appearing today. While we are experiencing excellent retention today, shortages do exist, particularly in our high-tech and sortie-generating skills. Members with these skills are being offered lucrative opportunities with commercial companies. We must remember that low retention results in increased training and replacement costs.

Therefore, to retain a force consisting of quality people, I must emphasize our need for your continued support for equitable compensation packages, quality housing, and adequate quality of life programs. This assistance is imperative if our people are to keep pace with the civilian sector and remain loyal, dedicated members of our Air Force.

What is it they want and deserve? They want a standard of living that is commensurate with the mission they perform and equal to their counterparts in the nation they defend.

They want a predictable, dependable, and equitable compensation and benefits package. THE MAJOR AREAS OF CRITICAL CONCERN FOR THE ENLISTED FORCE TODAY ARE:

MILITARY PAY

HOUSING ALLOWANCES

HOUSING

MEDICAL CARE

FAMILY MATTERS

MILITARY PAY:

Pay comparability is our most immediate concern. Military pay was last comparable to private sector pay in 1982. Since then, it has lagged progressively farther behind, and after the 3.6 percent raise for 1990, the gap is now 11.4 percent. More significantly, for the last three consecutive years, military pay has lagged inflation by an average of 1 percent per year. Our people are beginning to feel the erosion of their purchasing power. Even with approval of the FY 1991 pay raise request of 3.5 percent, these trends will continue in 1991 as most economic forecasts project substantially larger increases in both private sector wages and inflation. Elimination of the pay comparability gap may not be achievable in the present economic environment. However, there cannot be any further erosion in the purchasing power of military pay. While retention remains strong in most career specialties, this will not continue if members see a combination of declining military living standards and better opportunities in civilian life.

Accordingly, we strongly support the 3.5 percent pay raise request. Approval will send the right signal to our people that their welfare is of prime concern as we cut defense spending and restructure the force.

HOUSING ALLOWANCES: BASIC ALLOWANCE FOR QUARTERS (BAQ) AND VARIABLE HOUSING ALLOWANCE (VHA)

The restructuring of the military housing allowance system in 1985 clearly indicated a Congressional desire for BAQ to reimburse our people at 65 percent of the national median cost of housing for their grade and dependency status. The VHA is designed to recognize that the military orders members to move between areas with very different housing costs. It was designed to ensure that members can afford adequate housing regardless of where in the United States we assign them. VHA should compensate our members for the difference between costs in their local housing area and 80 percent of the national average for their grade. In effect, members are expected to absorb 15 percent of the national median housing cost for their grade. However, because of VHA budget limitations and BAQ increases below housing cost inflation, today, our members absorb approximately 20.5 percent of that national average.

To maintain the quality of life factor that decent housing represents to our people, particularly our junior personnel, we would ask for Congressional support of our upcoming efforts to bring this allowance back in line with the original Congressional intent.

HOUSING:

This issue of adequate military housing is becoming more critical to the troops everyday. As in years past, the Air Force leadership considers military family housing its most important facility program. Any measurement of a person's living standard must include their housing. We are convinced that no other facility effort influences the performance and commitment of our people as having a quality home for their families. We appreciate the Congress' support of our family housing program as we strive together to take care of our people by providing quality homes for a quality force.

The Air Force's fiscal year 1991 request represents a balance between managing, maintaining and improving our housing assets. The revitalization of our existing housing units is our primary focus. Our fiscal year 1991 request for revitalization is \$173.6 million and remains approximately equal to the fiscal year 1990 request. The funding level permits us to continue with our "whole house: program -- but the buyout of our backlog continues to be in excess of 25 years. We continue to explore private sector financing alternatives that could be used to supplement this effort and significantly reduce the buyout period. Unfortunately, to date, we have been unable to identify a proposal that is both economically attractive and consistent with established budgeting procedures. However, we are continuing our efforts because the optimum buyout period is approximately 12 years. The continuing support by this committee of this highest

priority Air Force construction program is greatly appreciated.

Our members with dependents deserve on-base housing that is up-to-date in amenities and comparable in size with the civilian world. Many of the current housing units are 30 to 35 years old and are too small, have too few bathrooms, lack adequate kitchens (to include a dishwasher), and many are not carpeted.

The number one issue for our airmen in the dormitories is privacy. They want to be able to sleep undisturbed and know their belongings are secure. They do not want to share bathrooms.

The solution to these issues lies in a variety of fixes. We must have a MILCON budget which allows us to update military family housing. This must also include new and innovative financing methods. We should embark on a gameplan to provide private rooms and baths to our members in barracks. Our FY 91 MILCON programs continues to support our efforts to improve dormitory living for our enlisted personnel. This is especially important at our overseas locations that we believe will remain after CFE talks.

MEDICAL CARE:

Access to affordable, high quality health care for Air Force members is high priority. Our commitment to the welfare of our people and their families must be strong. Our

people want assurances that their dependents will have medical care available regardless of where the member is assigned. Our commitment recognizes the critical need to have the health care providers necessary to sustain a healthy fighting force. In addition, we also have an inherent responsibility to provide quality health care to active duty members, retirees, survivors and their families.

We continue to try to recruit and retain the number of experienced physicians, nurses and the medical support staff to get the job done with the limited manpower dollars available. In the current fiscally restrained environment, our efforts in this area are very important. Initiatives approved by the FY 90 DOD Authorization Act such as increased physician incentive pays, retention bonuses and nurse accession bonuses should help the recruiting and retention of health care professionals. To improve the medical care provided our members and their families, I solicit your continued assistance for health care program initiatives.

FAMILY MATTERS:

Air Force leadership recognizes that families have the major voice in career decisions. Therefore, they have a direct impact on readiness. With two-thirds of our members having family responsibilities, we know that the well-being of the family affects the morale and productivity of the military member. In today's environment, it is essential that we consider the family in our decisions. This only supports the need for adequate pay, housing, medical care, PCS reimbursements and a viable retirement system.

In recognition of the impact of the family, the Air Force is establishing Family Support Centers at 123 major installations. These centers identify, develop and coordinate programs that improve the well-being of the family. They assist in spousal employment, financial counseling, relocation assistance, and other areas that play a part in the attitude of the family.

Input from the Senior Enlisted Advisors of the Major Commands shows that the Family Support Centers are having a positive impact on our members and their families. The Advisors and their bosses, the Commanders, are anxious to have centers open on all their bases. Accordingly, we hope you will assist by ensuring requested funding for Family Support Centers is approved.

CONCLUSION:

Air Force enlisted men and women are committed to defending this country, to include giving their lives if necessary. They are top quality and they are trained to do their job. They want to serve their country and they will.

Still, I share with you my perception and that of the older NCOs in expressing concern about returning to the "hollow forces" of the late '70s. Additionally, the younger enlisted members ask about their futures. Will they have a career in the Air Force? And what about their equipment--in the future will they have modern up-to-date weapon systems and the parts needed to sustain readiness, or will they be working with older systems and not have the necessary parts--

the situations the old guys talk about.

As you make the hard decisions you must to resolve the deficit and other important problems, I hope you remember the dedicated members standing guard to protect this country and its concerns. Please remember they are people who deserve a fair and equitable compensation and benefits package--one that provides a standard of living commensurate with their mission and allows them to provide for themselves and their families.

Mister Chairman, this completes my prepared statement. Again, I appreciate the opportunity to appear before this subcommittee. It will be a pleasure to answer any questions you might have.

SUPPORT FOR QUALITY OF LIFE

Mr. HEFNER. If my notes are correct, we have 123 years of experience sitting here before us, and I think Master Chief Bushey, you are junior with 28 years. I don't have a lot of questions.

I have been with this committee quite a while and this committee, over the years has always stressed quality of life. We believe that is critical. As one of you said, you are concerned about military construction. Right now that is something that is being put on the back burner by some in the Department. I understand your anxiety and concern over the potential build-down.

I can understand that anxiety because we have got to make sure that we don't do things in a hasty manner. We want to be sure that people are treated fairly when they leave the Service, especially some of the members that have much less service than you have.

I would probably guess that you wouldn't be in any real deep trouble considering the Service that you have, but we would have some members coming out with considerably less service that would be threatened with their lives being disrupted, and we certainly don't want to be a part of that. We don't have much jurisdiction in this particular committee to deal with that, but we do serve and have members on committees that will be dealing with this.

There are a lot of people who expect that there is a so-called peace dividend—and we hope that there is going to be a peace dividend. We like what is happening now in the world, but we have to remember that there are no real quick big bucks coming from things that are happening, and we want to make sure that our personnel are taken care of.

That is where you go to get a dollar for a dollar, and we are down to the muscle now in these areas, so when we begin the build down, we want to make sure that people who have made the commitments are going to be treated fairly, and you have my commitment, and I think I can speak for this committee, that we are going to do our best to try to look after the quality of life in areas such as housing.

So that is just an observation. At this particular time I don't have any questions, but at this time I would yield to Mr. Thomas for any comments or questions he might have.

Mr. THOMAS. Mr. Chairman, thank you. Mr. Chairman, I might add that although I was not here for your entrance, I had been here earlier and I spoke to members of the panel. I am always glad, as you are on this date, to see you gentlemen.

CONCERNS AND PRIORITIES FOR QUALITY OF LIFE

I feel like we are talking to the real world—the real soldiers responsible for our military when you come before this panel. I just have one question, and it is a simple question, but I would like for each of you to answer it. In your judgment what is the best and what is the worst thing about our all-voluntary military system today?

You can take any order, but I would like for each of you to give me your statement.

Sergeant Major GATES. Sir, I will lead off if it is okay with you and the distinguished members of the Armed Forces.

Mr. THOMAS. Yes, sir.

Sergeant Major GATES. To properly answer your question, we need to go back in history a few years to the ending of the Vietnam War, and we must consider the condition of the Army at that time in our history. Since then we have been through many growing pains to establish an all-volunteer Army.

The Army of today is of high quality people. They are well-trained, highly disciplined, and well-equipped. The most important factor of our Army today, in my opinion, has been the way that we have developed the leadership, the sergeants and the officers.

During my 32 years of Service, I have not seen an Army any better than the Army that you have today, and I wouldn't do anything or say anything to take anything away from the great soldiers who served in the Army of the past. They served courageously, fought heroically, and many of those great soldiers died for their country. But again, I will say we have the best Army in the world today.

It would be inappropriate for me to say that we have anything wrong with our Army.

Mr. HEFNER. If you said you are not paid enough——

Sergeant Major GATES. Well, I can talk about that.

Mr. THOMAS. Well, I will reword the question. Instead of asking you what is the worst thing, what is your greatest concern.

Master Chief Petty Officer BUSHEY. Can I jump in?

Sergeant Major GATES. I will come back.

Master Chief Petty Officer BUSHEY. That shows the Services' support each other now. The two words that came to my mind right off the bat when you asked that question, what is the best thing, are loyalty and dedication.

We have people in the Navy today that want to be here. They are not dodging anything. They are here because they want to be here. What was the worst part about that? It is going to cost you a lot of dollars to support that because they are going to ask questions and they are not going to stick around unless you treat them properly.

I think the worst part about that, they are very tough to lead and it costs you a lot of dollars.

Mr. THOMAS. Very good.

Chief BINNICKER. Well, I would echo what the Navy says, and the best thing about the all-volunteer force is that it is a volunteer force, very positive. They are excited. They are enthusiastic. They understand why they joined and understand what they are doing.

They are the best trained and best cared for in the history of the United States. With that brings a price tag, but it is the cost of doing business. And to do it the other way I think is more costly.

As the Chairman indicated, the worse part of that would be they are not paid adequately. I think the number one concern of the troops that affects all grades, and all year groups is pay and allowances. They see that as the thing that keeps lagging behind.

Pay raises become not pay raises, but cost of living increases, and they are woefully inadequate to continue to keep up with what is going on outside, and so there is that dilemma to stay in or get out. And we do everything we can. And that is the purpose of this committee to continue to work on that quality of life. And I think the

efforts of the quality of life and the accomplishments of the Services and this committee have gone a long way in attracting people to come into the military and keeping them once they get in because they like what they are doing.

They are very comfortable in the environment in which they live. That is why this construction is so important.

MILITARY BENEFITS

Mr. THOMAS. Let me alter the question just a little bit further, since we are on the pay issue. At this day and time with the high cost of medical coverage for individuals, there are numerous controversies over certain types of retirement programs in which some corporations are selling off profits in their profit-sharing plans. How often do you have conversations with the people who are talking about either coming in or staying in the military who look at that part of the equation—not just current pay, but the benefits that are going to come to him in outyears?

We have 37 million Americans, I think, that can't even buy health insurance. This is one of the benefits that comes to a person through years in the military and retirement, but talk to me just a minute about the benefits, if you don't mind.

Chief BINNICKER. Surprisingly enough, sir, the young people coming in today, I think, based on conversations and questions, and I just got back from Alaska a week up there, there is great concern even among the young first-term, two years in the Air Force, "What about my retirement, Chief, is it safe?"

"What is this CPI minus one stuff they are talking about?" This kid hasn't lived long enough to worry about that, and here he is worrying about it, so they are concerned about it. They have quickly understood their compensation package, and in my opinion, one of the reasons why they stay for the salary that they do is that they have quickly figured out the value of the retirement system and the other benefits, and so they will accept that salary, calling it a salary, that is established at the rate that it is because they know the value of the retirement system and those other benefits.

Now, if you start tampering with something on the other end, if you say, well, we can't really give you medical coverage or we are going to adjust your retirement check, now you have changed the equation and they may not sit still for that low salary that they are getting, so it is a delicate balance. And I think we need to pay attention to that, but those young men and women are concerned about it.

Sergeant Major SOMMERS. Sir, on the best side I would say that the quality of people, the level of preparedness, and the status of the equipment I would have to say for me is the best that I have seen in my time in the Corps.

On what is wrong, I would say that the uncertainty of the future. There is an old saying, "if you ain't the lead dog, the view never changes." And it seems like the people in the Corps and other services are never the lead dog. We just never know what is going to happen to us.

We tend to be the answer to a lot of problems. We can do away with the people, strength reductions, and that seems to be the big-

gest concern at this point. As Chief Master Sergeant Binnicker said, when you are in the field and you have chosen to make the Service your way of life and you accept all the hardships that go with it and then some day someone comes along and says, well, we have to terminate this. It is a big concern, and that breeds, people start talking, and youngsters who are looking to come into the military start taking that on board.

They start thinking about it, decide whether they want to, in fact, put themselves into that situation. I would say at this point I would say that is what is wrong.

Sergeant Major GATES. Sir, let me add one more very critical aspect to the voluntary Army. It can be summed up with two words—quality and readiness. I strongly believe that the Army of today can respond to any emergency that the National Command Authority requires us to respond to very quickly, and that our soldiers can accomplish the mission much, much better than they could 20 years ago.

Mr. THOMAS. Well, let me just make a comment or two. I nodded to my staff person who is here about this idea of spending a night on surface ship. I haven't done that. I have been out on the Trident submarine and spent the night.

I enjoyed it, but I have done that, and I in fact turned down an invitation to come down this weekend to come up under the polar cap on a submarine. Unfortunately, I had some other commitments, but I do enjoy the submarines. They are very impressive.

I enjoy meeting with the young men and women who are in our Service. I have a very high and very favorable impression of them. Last year I went into the Mojave Desert for a few days and watched our troops on maneuver out there against the forces that are trained and conditioned like the Russian army. We got our clock cleaned, but we put up a good fight.

Recently, I was with the rangers that came back from Panama on a rainy Saturday afternoon with their families and children. I sat down and visited with them and talked with them about things that we are talking about here today. Are they pleased with their community; how are they received in our community. So I work very hard to put myself in their position because I have two very large military installations in my district—the 24th Infantry Division at Fort Stewart and the Trident submarine base at Kings Bay.

We have a lot of involvement. We are proud of our people. I am proud of them, but I do think this quality of life issue that is addressed here mostly in this committee is extremely important because I talk with those young rangers who had just come back from Panama and their families and their children. I saw some real strength and commitment there that impressed me.

I think things are good, and I want to do what I can to help, and I am committed to that. I think the quality of life of our people in the military is the key to us getting and keeping the kind of people we need—highly professional people. The equipment is very sophisticated. The guns are aimed with computers and lasers instead of the old citing mechanism.

I want you to know I am committed and very concerned about our troops, and this Subcommittee is glad to have you all here today to share these comments with us.

CHANGES IN EASTERN EUROPE

Sergeant Major GATES. Sir, I have to make one more addition to that statement. I am convinced and the soldiers are convinced that because we do have a strong military service today, we believe we had a little something to do with the changes of the atmosphere in the Eastern Bloc countries.

Mr. THOMAS. There wasn't any doubt about it.

I was with General Galvin in Belgium last year and traveled with him around Germany, and I don't think there is any doubt of the highly professional way in which we conducted ourselves in our operations. This is exactly why much of what has happened today has happened.

If we hadn't been ready and prepared, we wouldn't be talking today the way we are.

MILITARY ACCOMMODATIONS

Master Chief Petty Officer BUSHEY. When you go out there, they will fix you up with a real nice stateroom and treat you real nice. What I would really like for you to do, you don't have to spend the whole night there, but just go down there and sleep for two or three hours, down there with the enlisted people.

I think a lot of people don't realize that on that ship for the majority of those sailors, that is their home. They don't come back in and go to a barracks.

Their entire life is in that little coffin. We call them coffin racks, and it is six-foot long and about two and a half feet wide, and you got two feet between the racks and it is ten inches deep, and everything they own is in there.

If they have a Barcalounger and a 22-inch color television set and a big stereo, it is all in that rack or they don't have it.

Mr. THOMAS. If the Chairman would indulge me one more minute. When I spent the night out on the U.S.S. Georgia, on a retrofitting cruise, I bunked with Admiral McKee, and I figured that if anybody would have a state room, Admiral McKee would.

I got in the bottom bunk, and it was one of these coffins you are talking about, so I will tell you—

Mr. HEFNER. Will the gentleman yield? You don't use coffin racks in the recruitment, do you?

Master Chief Petty Officer BUSHEY. We tell them about the thickness of the mattress.

Mr. THOMAS. Well, at any rate, I do want to come out. The only thing is that one of my staff members has always wanted to make a landing on an aircraft carrier, and after seeing what happened to that plane that tried to land in "Hunt for Red October," I don't know if I am going to make that scene or not. But I will get out there, and I promise you that one way or another I will spend one night aboard one of our service ships somewhere. Thank you, Mr. Chairman.

SUPPORT FOR QUALITY OF LIFE

Mr. HEFNER. I am going to do everything I can for the day care centers. There is an old boy down in Georgia called Windy Bag. He had a singing troop. He goes around to churches. He made an

album and he went around to the churches up in the mountains of North Carolina singing some good songs.

They started handling snakes, and the preacher said to him, "Well, you are not going to handle snakes?" He said, "No, I am not." He said, "Well, if the Lord told you to handle, take up the serpent, would you do it?" He said, "If the Lord told me to do it, I would, but he didn't, and I ain't."

I am going to help you with your day care centers and do everything I can.

I understand Mr. Murtha and some of the Members on the Defense Subcommittee did make that trip Mr. Sabo, and we have been out and flew the B-1 and some of these missions, and you have got to have a lot of commitment to do the things that you do.

Mr. Coleman?

RECRUITMENT AND RETENTION

Mr. COLEMAN. Thank you, Mr. Chairman. I would just say my only real concern at this time is what you referred to, Sergeant Major Gates. It seems to me we are leaving out what people are thinking as we talk about this build-down concept.

Sergeant Major Sommers referred to it, too—how everybody is feeling when things are happening and they don't feel like they are contributing to the total input on those kinds of issues.

It sounds to me like those are issues we used to categorize just as morale issues, and I think that when we talk about quality of life, there is probably nothing more damaging, at least in my view, for recruitment and retention than not having a sense of purpose, a sense of mission. Maybe you might want to care to address that specific issue. I mean, it hadn't even occurred to me. I saw a national television news show, and they were highlighting the fact about how the troops feel now, all of a sudden, if the threat is not the same as it always was. Is there a sense that maybe the threat is not as imminent.

But is there still a concern that we still have a mission? I guess that is what I am worried about, because if we don't have that sense, it seems to me we are going to hurt ourselves from the morale standpoint, and I think the minute that happens, we are in trouble. We can do a lot of things financially for day care centers or for physical fitness centers or whatever else it may be. But if you lose that morale, it seems to me we are in real trouble.

You might be interested in addressing that. Let me add one other question, one other statement. There are a number of members I have talked to in recent weeks who are discussing and planning legislation to deal with any build-down that does occur.

There ought to be some kind of a safety net out there for those soldiers and sailors who have to leave the service, so that they can get into a job-oriented economy in this country, and that is difficult.

Many of you may recall the 1982 downturn in employment, the increase in unemployment in this country. I think there are lots of us who represent districts that went through that, and it was not pleasant.

It just seems to me we ought to be thinking about this. A lot of people, by the way, attributed new highs in recruitment levels to that, much of it. Right or wrong, I don't think there was any question but what the services were helped in their all-volunteer status by that high unemployment escalation. It seems to me that we need some real leadership from the Department, the Army and the Services, from the Pentagon.

It seems to me, too, they should give us some ideas about how best to transition those who will be leaving the service back into the civilian economy. Maybe you would like to address that, if any of you have ideas or have been working on that subject.

Chief BINNICKER. Sir, I would agree that morale is key and essential to the success of the military departments. You can call it what you want, but morale is what keeps them going on a day-to-day basis.

There are a lot of associations in this room representing enlisted people, both retired and active duty. Membership is always a problem for some of these associations, can't seem to get the enlisted folks excited about joining associations, and one wonders why.

I have fussed with it many years myself and asked myself why. Also looking at the voting record of military people, it is not all that shiny, but it is starting to get better, and the reason I think that people have not joined the associations and people have not—military people have not voted is that they have always felt that you, the Government, the elected officials were going to take care of them. There was a trust there, and they felt good about that.

So there was no need for any of that. Now there is because they don't feel like they can trust because every time they pick up a newspaper, official or unofficial, there is bad news in it. Someone is tampering with some things that have been sacrosanct for many, many years, and so when you lose that trust and when you lose that morale, you will have to throw a lot of money at the people who do stay, which will be small in numbers, and you will have to throw a lot of money to attract people to come back.

The point is, if you draw down the size of the force to a point where you are, in fact, incapable of going to war if the President asked us to, then you are really going to be in trouble because you will lose the war.

It is easier to expand your forces from a position of quality than it is to just dismantle the force and say, well, we don't have a threat so we are not going to have a force.

I think you can have a small Air Force and then expand if you have to, but you need an Air Force, an Army, a Navy, and a Marine Corps. However small that is, is however strong you want us to be and decide what mission you want us to have. But the troops on the flight line and in the bowels of the ships and in the tanks, they have to trust you.

They have to be able to trust you, and if we violate that, that is the most devastating thing about the reprogramming action.

Sure, we are going to deny reenlistment and freeze promotions and freeze assignments and all those things if we don't get reprogramming, but when the smoke clears from all of that and we will survive that, the most damaging result will be they will never trust you again.

It will take a generation to build that trust back, and that is my big concern if we lose that.

ARMY'S MISSION

Sergeant Major GATES. Sir, we have in the Army a plan adopted from a vision by the leadership of the Army to reduce the size of the Army sequentially over a period of time; that would reduce the amount of turbulence for soldiers, family members, and units.

That plan has been presented to the Department of Defense and certainly to the national leadership of our country, and it centers around the six imperatives that I mentioned before, and it goes out into the future for about five years.

The Army leadership has spent almost two years in developing this plan because we did have a vision for the future. Now, if we are not able to execute a planned build down to a smaller, more deployable, more versatile and more lethal Army, then we cause turbulence in the ranks and morale and esprit de corps will deteriorate.

Shifting gears, if you will, I believe and the Army strongly believes that there is and there always will be some type of threat to the security of the United States.

Certainly we are seeing changes throughout the world, but if we read history and if we take a very careful look at Central America, possibly South America, the Middle East and certainly Eastern Europe, there may very well be a threat to our country that will exist for many, many years to come.

To my knowledge, the Soviet Union has not destroyed many tanks. They still have a tank production line. They still have hundreds of thousands of soldiers in their army, and so do the other Eastern Block countries. So we believe there is still a threat, a possible threat to the United States. Our soldiers' morale and esprit de corps today is as high as I have ever seen it.

If we can continue to conduct challenging, realistic training, then the morale will remain high.

Mr. COLEMAN. Sergeant Major, I am glad to hear you say that because I think that is exactly the answer we would hope to get. It seems to me, though, that is one of the issues that we ought to be monitoring on a pretty consistent basis.

As I say, it had not occurred to me that there could ever conceivably be a problem that those in the Service have always recognized that it is their mission is to confront any threat, to be prepared for war if it had to come. Yet I saw that news show, and I was a little bit startled by it—to think that perhaps we might even have soldiers in the ranks who say, I can read the newspapers, too. I can listen to what this person or that person says about it, but you are confident, are you not, Sergeant Major, that we are still prepared and plan to stay that way so long as we have Services?

Sergeant Major GATES. Absolutely, sir. We are prepared to execute any mission that we are given, and we can do so, but we won't be able to in the future if we create a hollow Army and the indications are we are moving in that direction.

NAVY'S MISSION

Master Chief Petty Officer BUSHEY. In the Navy I think our situation is a little different since our mission isn't set around the Soviet Bloc countries. It is world-wide. Our mission hasn't changed a whole lot. I don't think our biggest enemy in the Navy was the Soviets.

Our biggest enemy was the waterfront, and we still have a lot of chipped paint there. The serious point, operating at sea is our mission, and that hasn't changed a whole lot. We are continually called up almost quarterly to go to another part of the world to show Navy presence, so our sailors still feel a very strong mission there.

The soldiers read the newspapers today, well our sailors are reading the newspapers also, and I think it is not so much the peace—I think they are all cheering that. That is going to affect our readiness. It is comments that they read in the newspaper of lack of trust that they are seeing now coming out of Washington D.C. on whether we really need a military and whether we are really concerned about democracies or not.

One of those quotes I would like to read came out of the recent Navy Times that several people called my office about that they were really kind of upset and asking, "Do we really count? Do they really care about people?" It came from a spokesman for Representative Aspin. It wasn't him specifically saying it, and in fact quoted directly, it said recently they have to be sympathetic to the fact that some Service members will be hurt if the transfer of funds is not allowed, but says they should blame the administration for the problems, not Congress.

What my sailors are saying, can I take that blame to the bank? Can I take that blame home and get housing for my family? Is it part of our retirement system? We are out here doing our job. What is going on? We don't understand it.

MILITARY PAY

Mr. HEFNER. Will the gentleman yield?

Mr. COLEMAN. Sure.

Mr. HEFNER. We had a meeting with Mr. Cheney the other morning at breakfast. Mr. Murtha, myself, Joe McDade, and I think we are going to find some solutions to this, but it is not going to be pay. I would like to point out that you can't take blame. You can't pay bills with the blame, but you can complicate the problem when Secretary Cheney and Mr. Darman, who is the Director of Office of Management and budget, decide not to exempt MILPERS from the sequester.

They could have done that, but they decided not to do that, and that was a bit of political ploy which put us in a bad situation around here. So we don't wish to assess blame. And this is a very nonpartisan committee. Sometimes you get in a position where you are really put in a bind.

We are going to try to find the solution to this, but you have got an awful lot of people out there that do not realize your problem, and they say they didn't want to take it off, they didn't want to exempt it and sequester.

Obviously, the administration, Mr. Cheney, and Mr. Darman weren't too concerned about the military. If they are not concerned about them, they are the ones that have been so strong for the bigger numbers. If they are not concerned about them, we are not going to fall on our swords to do it.

There is some blame and some of us are trying to resolve the problem, but I just hope we won't be in the minority. But we very well could be in the minority, so I just wanted to point out that this could have been avoided.

I am sorry, Mr. Coleman.

Mr. COLEMAN. That is all right. I think the issue has been presented to all of us in the Congress that way. In that light—that we have got this problem, what do we do with it. The thing is not going to go away this year. And, are they going to do the same thing next year?

In other words, if we are going to take sequestering, we are going to cut domestic programs. I have got a program in my district which is very important for poor people. It feeds women, infants and children, the feeding program. I think it is pretty important.

A lot of those programs are gone. The people who administer it, they got sequestered. Now, the Defense Department, big, massive, you know the way everybody refers to it. They don't want to take their cut just like everybody else did on the domestic side. The reality is that a lot of us think all of those cuts are insane anyway. A lot of us have said that the American people are smarter than we are up here.

They are not scared to death of taxes. They pay them. What kind of a system is this—no other country has a system like ours. Everybody is scared to death to talk about raising taxes around this town. I have never seen anything like it in my life.

I think the American people are way ahead of us on that. They know we have to start paying for the things we want and need right now, including a strong national defense, including feeding programs for the poor. I am not afraid of it, but I am going to tell you there are a lot of people in this town that are.

I am in the minority, I believe, in this town. I am not so sure I am in a minority in the nation, but that is our problem, and so I just say to you, we are going to try to solve it. I think the Chairman is exactly right. We are all asking our leadership, at least I am in my party, the Democratic Party. I am asking them to go get in there and to solve the problem.

We don't want to do to the soldiers exactly what you have just talked about. The Chief Master Sergeant from the Air Force here just highlighted this—I think he is absolutely right. I think you wind up with a total mistrust in the ranks. They are just going to say, well, the politicians don't care about us. They don't care about my future. Why should I be doing what I am doing? We ought not to be blaming the new specialist in the Service or the new recruit.

We ought to put the blame where it belongs, all right. But we can't just let them be the ones that suffer. So I do think that what the Chairman said is of critical importance. We are going to need your help in saying, look, we can't do this year after year. We are all going to have to share the burden of new taxes, or we are all going to have to share the burden of the cuts.

MILITARY HOUSING

It seems to me there are not too many other choices in that. Let me just get to one other question—Sergeant Major. One other issue that concerns me is the housing issue, and barracks, those kinds of things. I question whether or not we are doing enough in that area.

I notice when we get the Defense Department proposals for military construction every year, we seem to be a little short, at least in my view, on barracks modernization and housing for the soldiers, as well as on family housing. But first of all barracks.

I have taken a great deal of pride that in my installation I have consistently, over the last decade, been putting in barracks modernization. I think it makes a difference. I think I can show it. I think we can prove it. We can highlight it everywhere.

Do you feel like you are getting any answers, getting anywhere, making any headway in the Department of Defense with housing issues for the soldiers, sailors?

Master Chief Petty Officer BUSHEY. Are we getting enough? No.

Mr. COLEMAN. Well, are you getting the kind of support out of the Department of Defense you need? I guess what I am saying is this: I know how the system works. I have figured it out a little bit. You have to go all the way up through the chain of command. Then it comes down with the numbers, and a lot of times they are a lot different than we want them to be. We talk quality of life in here, and I get real frustrated.

The people who come testify before us are on our side. That is always the darn trouble. I don't get the ones who are sitting up there with the meat axe on some of these programs. Those are the people I would like to get in here and let them hear you.

Master Chief Petty Officer BUSHEY. You asked us to step in an area where we are still wearing the uniforms. I think our Secretary of the Navy has fought very, very hard to help get more money in our housing and our BQ's or bachelor quarters. We are 79,000 units short in our bachelor quarters in the Navy, and for a long time we put very, very little money into that area. And so it is getting better now.

At least I see it is going in the upward trend. I don't get involved in all the politics, but I think sometimes he has a tough struggle when it gets up above his level and gets into the budget process and you have got to start balancing out when there are ten times more projects than there is money and the cuts start coming. I think the people with the green hats sitting in the back of the room forget about the sailors out there that have real blood running through their veins and need a place to sleep.

Mr. COLEMAN. That is what I was going to say to you. Don't you really, seriously believe it adversely affects your recruitment and retention not to have the attention paid and to have the short-fall in those bachelors enlisted quarters or whatever they may be?

Master Chief Petty Officer BUSHEY. Well, I think really on the retention side. I don't think too many come in.

Mr. COLEMAN. And we worry about that.

Master Chief Petty Officer BUSHEY. When you first come in you are not too worried about retirement and the CHAMPUS Program, but it is not too long after that you are interested in that. It be-

comes a big issue. It is a big issue when it is your turn to raise your hand and say you will do it again.

Chief BINNICKER. This is my fourth year in this and probably the final year, and after I say this, for sure it will be the final year.

Mr. HEFNER. We are all up for re-election, too.

Mr. COLEMAN. The same with us.

AIR FORCE'S MISSION

Chief BINNICKER. I used to think that it was you guys that were the culprits, and then I found out who the enemy is. And it is somewhere between the Air Force and this table here. I think Mr. Cheney is committed to taking care of the troops.

He has voiced several times in meetings with us his concern about making statements that people are the number one priority. He says I want to make sure that when I say that I can back it up. So I think that the current leadership in OSD is certainly committed, but I think it is probably some program met in the back room that has been given a task to cut, and when you look at these pictures on the wall up here you don't see any people in any of those pictures.

You see very expensive weapons systems, and maybe it is a fear that if they came in and asked for a lot of money for barracks that someone would say, well, we can easily put that off until next year so we can get one of these things up here.

The Air Force two years ago was so committed to quality of life for military construction, we bought it twice. We sent it up in our budget, and they cut it somewhere between here and there, and we bought it back again. I think that is the commitment that comes from the Air Force and I think that is why we were criticized for being better than everybody else in the way we take care of our troops.

We are so proud of that. We don't take a back seat to it. We will accept the golden fleece award from anybody who wants to give it to us because we are taking care of our people, and we are spending our money for those kinds of things.

That is why our recruiting is so good. That is why our retention is so good. We take care of them.

WITHDRAWING TROOPS OVERSEAS

Sergeant Major GATES. Sir, I think we have made many improvements in the quality of life for our soldiers and our family members, housing, both bachelor and family recreational facilities and certainly the support that we have received for child development centers around the Army.

Unfortunately, we have been stationing soldiers in Germany and in Korea for many, many years, one year at a time. We have always, I believe, anticipated withdrawing soldiers from those two overseas areas every year.

Subsequently, soldiers have been required to live in substandard facilities, both in Europe and the Pacific. We still house some soldiers today who live in quonset huts left over from the Korean war or built after the Korean war with outside sanitation facilities, and we still have soldiers in Germany living in barracks that were built

prior to World War II with insufficient heating, plumbing, and sanitation facilities.

Our CONUS bases are being upgraded, and I think you can attest to the fact that Fort Stewart, Georgia, is one of the finest installations in all of the military service. Fort Bragg, North Carolina, is a modern installation, but we have barracks on some installations that were built during the 1950's and 1960's that now require renovations.

If you will notice the budget—I am sure you have—that the Army has presented this year, for 1991 for military construction, we have taken into consideration the building down of the Army and the possibility of the withdrawal of forces from overseas.

Our thrust will be in the direction of renovating the facilities that we have to improve the quality of life.

MARINE CORPS MISSION

Sergeant Major SOMMERS. The things the Marine Corps has been able to affect over the years, we have affected those areas, BEQ's, housing, child care centers. We have used our money very wisely. I don't think you can go to a Marine installation without seeing new housing, BEQ's, warehouses all the things we need to house our people.

The things that we can take care of as a Service we have done. Earlier you mentioned about, you talked about the services and their readiness. I don't think that we have ever had a period, especially in peace time, where you would find the services as ready as you will find them today, and that is personnel, equipment, plans to execute.

There are some things that we can't affect, and we can't affect the amount of pay raises people get and we can't affect the numbers that are given to us to draw down to, and I would like to read you something that I dug out, and this is from the Lenin School of Political Warfare.

It is dated 1930. It says, "War to the hilt between Communism and Capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 30 to 40 years. To win we shall need the element of surprise. The Western World will have to be put to sleep, so we shall begin by launching the most spectacular peace movement on record. There shall be electrifying overtures and unheard of concessions. The capital of this country is stupid and they will rejoice to cooperate to their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we will smash them with our clenched fist."

I have nothing else to say.

MORALE

Mr. COLEMAN. I think you can keep the morale of the troops up with that one. Let me only say, too, that something should be said about comments about doing "too well" for the soldiers and sailors. I think, first of all, that such remarks are ill-advised and not well thought out.

They certainly didn't come from this committee or this side of the Rotunda, at least as I understand it. Those who say that, all I

say to them is good. That is exactly our intention in this committee, and I think I can say that for the Republicans and the Democrats on this committee. That is our intention.

We think it is an investment that is sound and wise. I am also astounded as to how we think we can hire and train, in any level of government, whether it is the Federal Government or your local county sheriff's department, how we can spend the kind of money we do to make competent those kinds of people and then don't care when they leave.

What a loss, what a waste of resources we have in this country. Whether it is a county or state employee or whether it is a soldier or sailor, I think this is just crazy. What are we hoping for, when we do build down regarding those we keep? I want to get back to that one issue, if I might.

We want to keep the best. We want to keep absolutely the finest and the best, yet at the same time it is like the one great honor that you get as a Member of Congress, my academy appointments, all the kids that apply that are qualified and can make it. I just don't have enough appointments.

They don't get in, but we try to find other things for them, the ROTC or wherever it may be, prep school, those kinds of things. It seems to me we ought to be making plans for those who don't get to stay who are nonetheless good soldiers, good sailors, good airmen.

It seems to me we ought to really be thinking about that transition in a way that is more meaningful than just giving them a lump sum separation pay. I think we ought to be talking about jobs. That is what this country ought to be concerned about.

The Services could lend us a good deal of assistance in making those kinds of plans for those that will not be retained in the Services. I would really hope that because of your intimate knowledge of those who are in the enlisted ranks that you could provide assistance to those that are attempting to draft legislation.

I have to say to you, it is interesting. It is all across the political spectrum up here, people who are concerned about that issue. Thank you very much for your testimony. I appreciate you being here. I apologize for my being a little tardy this morning.

Thank you, Mr. Chairman.

Mr. HEFNER. I don't have anymore questions. I would like to make a couple comments.

QUALITY OF LIFE AS A PRIORITY

The Air Force mentioned the fact that, and I think it's true, sometimes there is no doubt your pay and the quality of life are not sexy. You don't go speak to the Rotary Club about the quality of life.

I have addressed it. I was talking to Ralph Regula, who used to sit right here. We have been talking about burden-sharing and quality of life for years before it became fashionable. In the last Presidential campaign they finally talked about burden-sharing and the Armed Services Committee finally established a subcommittee on burden-sharing, which we have been talking about in this committee since you came on it for years and years and years.

You are exactly right. They will hold hostage, and I am not placing blame, but they will hold hostage military personnel to a weapons systems or an extension of a weapons system. That is, in some cases they are bound to go because they are very expensive.

They know that, we know that, the American people know that, but it is not glamorous to talk about your increase in pay or building a day care center in Fort Hood or Fort Bragg, which we have done. And they are going to have to be some priorities set among all Services.

I will give you an example. We know the Pentagon is 48 years old and needs to be repaired, but you have got people living in World War II barracks. We have got a request here for Pentagon, to spend a billion dollars renovating the Pentagon.

We realize from time to time you have to build things up. We make a joke about the Navy in Crystal City. That is probably the strongest base we have as far as the Navy goes. We don't have the submarines over there, but it may be just a matter of time.

We annually spend \$59 million for leased spaces for the Navy at Crystal City when we have been trying to get the Navy to move to some places with lower lease rates.

Now we are in a project of 600 units of 801 housing at Woodbridge, Virginia, so there is a lot of politics across the river. I am not asking you to comment on it. I am not asking you to say, yes or no on it, but this committee—and I think our appropriations subcommittee, has really tried to take the lead and tried to address quality of life and pay.

I do have some say on it. We are going to try to work this other problem out. How successful we will be I don't know, but the time has come. We are up against it, and in the last ten or 12 years, if there was something that you wanted to fund for military, you could take it from anywhere you wanted to, and it was no problem.

That is not the case now. You can go to the eighth district of North Carolina or the district that Mr. Coleman represents, and if you want to cut programs, you don't get a lot of flack because people get lulled into, as you say, a false sense of security. But the fact remains if you are going to have a viable force, you have got to pay them.

I am one of those who subscribes to the notion that they should have some kind of draft, but that is not the case. We have an all-voluntary Army. We have to pay them. We have requirements that are astronomical in the outyears.

If we are going to keep good people, we are going to have to find a good place for them to live. We are going to have to pay them adequately. I do think we are going to have to look at some of our recruiting practices. It seems to me that we are going to be able to cut some recruiting but, all in all, the only thing I can say to you I think is to reenforce what Mr. Coleman and Mr. Thomas have said.

We are dedicated to your cause, and when you come in here you are preaching to the choir, but we are going to have to get to some of the hierarchy and the bureaucracy to let them know that you can't operate these sophisticated systems and you can't go out to Fort Hood and operate these very sophisticated weapons and walk across an unpaved parking lot and stand in water up to your

ankles to take a shower. That just doesn't get it, so we are committed to your cause. That is about all I can say to you.

If there are no further questions, the committee stands adjourned.

WEDNESDAY, FEBRUARY 28, 1990.

DEVELOPMENTS IN THE PACIFIC AND CENTRAL AMERICA

WITNESSES

HON. HENRY S. ROWEN, ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

ADMIRAL HUNTINGTON HARDISTY, USN, COMMANDER-IN-CHIEF, U.S. PACIFIC COMMAND

RALPH B. NOVAK, DIRECTOR, REGIONAL FUNCTIONING, INTER-AMERICAN AFFAIRS, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

STATEMENT OF THE CHAIRMAN

Mr. THOMAS [presiding]. The committee will come to order.

I will make the proper apologies for our Chairman who cannot be here at the moment.

Today the committee will discuss programs for the Pacific Basin and Central America, and related policy issues that impact on these regions of the world.

Our witnesses today are Admiral Huntington Hardisty, Commander in Chief, U.S. Pacific Command, Mr. Henry S. Rowen, Assistant Secretary of Defense for International Security Affairs, and Mr. Ralph Novak, who is with the Office of International Security Affairs.

Gentlemen, thank you for taking the time to be with us today. Before we ask you to proceed, let me say that we will be conducting this hearing in closed session, so those without a top secret clearance will have to leave the room. We have found that this is the best means to get a good exchange of thoughts without jeopardizing classified information.

I understand you each have prepared statements which will be made a part of the record. At this point, I will turn it over to you two gentlemen to proceed as you see fit in summarizing your statements.

STATEMENT OF MR. ROWEN

Mr. ROWEN. Mr. Chairman, thank you for the opportunity to appear today before this subcommittee.

I do have a formal statement to submit. In the interest of time, I will speak to a few highlights.

To begin with, the profound changes taking place in the Soviet empire, or what until recently was the Soviet empire, there are now three crises with that system, economic crisis, nationalities crisis, and a crisis of legitimacy of the Communist Party.

Regarding the military aspects of these changes, the most important development is the virtual collapse of the Warsaw Pact. Soviet

forces are now being asked to leave several East European countries and reductions are underway in Soviet conventional forces. However, Soviet weapon production seems to continue at a high level and the country retains formidable nuclear forces. Furthermore, changes in Soviet capabilities and activities in regions other than Europe are less consequential than in Europe.

In contrast to Europe, East Asia has witnessed little change. The major changes have been Soviet troop reductions along the Soviet-Sino border, the removal of some Soviet aircraft from Cam Ranh Bay, and the retirement of some old ships and submarines from the Soviet Pacific Fleet.

However, there is also an ongoing modernization effort and, on balance, there has probably been a net increase in Soviet air and naval capabilities in this region.

A worrisome military threat is from North Korea. If a major war comes, it is more likely to come from that quarter than any other. A particular concern to the U.S. and its Asian allies is North Korea's nuclear program. Despite our efforts to get the Soviets to use their influence on the North Koreans, that nuclear program still continues.

China is, of course, a major factor in this part of the world. It continues to place military modernization at the bottom of its list of four "modernizations" and its international behavior continues to be prudent. However, the political and economic prospects for the PRC remains uncertain.

In Southeast Asia, the conflict in Cambodia remains unresolved and perplexing. We support the Australian initiative and the efforts of the U.N. Permanent Five to find a solution which would restore self-determination for the Cambodian people and reduce the chances of the Khmer Rouge returning to power.

The key U.S. interests in Asia-Pacific have been: To deter communist expansion and subversion in the region, to provide stability within the region, to protect freedom of navigation, and to promote political and economic development. As the threat of superpower confrontation is reduced, the U.S. role will change somewhat. Countries that we long protected have become prosperous and powerful. At the same time, rivalries and distrust continue to exist. For these reasons, the U.S. needs to maintain its forward deployed presence in this part of the world.

It is also true that modest reduction in the level of U.S. troops deployed in the Pacific is feasible. This is not due to a reduction of threats, but because of the strength of the defense forces of our allies and the growth in their economies, especially with Japan and Korea. At this time, we are looking at 10 to 12 percent troop cuts in the next three years. Increasingly, defense responsibilities will be transferred to our allies as they are ready to assume them.

We are keenly aware of developments that might limit our access to bases in the Philippines. Subic Naval facilities and Clark Air Base are important for our forward deployed strategy in the Pacific. Our concern for freedom and democracy means that U.S. support for the Philippines will be primarily for the benefit of Philippine democracy. Clearly, we would like to continue to use these two bases. However, we will only stay as long as the Philippine

people want us to stay and only if the terms negotiated are acceptable to both parties.

In South Korea, we are discussing way in which the Koreans can assume a more prominent role in providing for their defense, but only to the extent that their growing economic strength enables them to do so.

This process will take some years and the pace will depend on the level of threat reduction from North Korea as well as the growing defense capabilities of the Republic of Korea. Let me emphasize that our commitment to South Korea's security is undiminished and that we have not seen any reduction in the threat from North Korea.

Let me say a few words about our partnership with Japan. This is the most important bilateral relationship we have today. Japan contributes to our joint security interests in three important ways:

First, Japan provides well-equipped forces to perform agreed missions in the Northwest Pacific. For example, Japan maintains over 50 destroyers in the Maritime Self Defense Force. The Japan Air Defense Force will have approximately 200 F-15's and 100 F-4's by the end of the year. Japanese forces continue to grow in competence and the cooperation between Japanese and American forces continues to develop.

Second, Japan provides \$2.5 billion per year in direct and indirect financial support to U.S. forces stationed in the country. This is the most extensive financial host nation support enjoyed by U.S. forces anywhere. I have just visited two of our bases in Japan and I can testify to the impressive facilities that the Japanese built for our forces.

Third, Japan continues to make large increases in assistance to countries in which both the U.S. and Japan have interests.

As the U.S.-Japan bilateral military relationship becomes more complex and the U.S.-Japan economic competition deepens, we must continue to work vigorously with Japan to resolve our economic tensions and to keep them from damaging our security relationship.

Turning to the Western Hemisphere, Mrs. Chamorro's tremendous victory in Nicaragua this past Sunday completes the first essential step in the democratization of that country. All five countries now have democratically-elected governments. Helping to bring about this situation has been an important goal of the U.S. policy. This contrasts sharply with the early 1980's, when only one country in the region, Costa Rica, could call itself a democracy.

In Central America, our objectives have long been to support democratically elected governments, to assist them in their fight against Marxist Governments or insurgents, and to promote economic development and human rights in the region. Our efforts have largely been successful. The record speaks for itself. El Salvador, though still far from at peace, has had three elections. Democracy is restored in Panama. And of course, the election last Sunday in Nicaragua was the latest victory for our policy.

However, the successful election in Nicaragua is not the end of this process or of our commitment to help the countries of Central America. We remain committed to the Esquipulas Peace Plan. In order to live up to that commitment, we must continue to work

with and support the countries that have put the full moral force of their democracies into the search for peace in the region.

Even though Mrs. Chamorro won a stunning victory in Nicaragua, the turn over of control from the Sandinistas is not yet implemented. Her most difficult task will be to build a competent, apolitical military and public security force, and to eliminate their interference in the political activities. President Ortega has promised Mrs. Chamorro his cooperation during the transition. But the question remains: Will the Sandinista military be brought under democratic control? Will Sandinista support of the FMLN end, or will it continue as an underground effort?

We are hopeful but it is too early to answer these questions or to make decisions based on what we hope the answers will be.

With regard to recent events in Panama, Operation Just Cause was welcomed by the people in Panama and undertaken with the support and cooperation of the democratically-elected Endara Government.

At this time, we are working with the Endara Government to restore public services, public order, confidence in democratic institutions and respect for human rights.

A concern to us is the continuing insurgencies in El Salvador and Guatemala. The Salvadoran Armed Forces remain tied down by the FMLN guerrillas and Guatemala still confronts a persistent leftist insurgency. We are also very mindful of the conditions of human rights in these two countries, and we will continue to press for improvement in this regard.

Another important focus of ours is economic development in the region. The democratization in Nicaragua will be a milestone in our Caribbean Basin Initiative since that process now can accelerate in peaceful condition.

Lastly, the problem of narcotics trafficking is taking on more significance in this region because we are becoming more successful in interdiction elsewhere in Latin America. We should expect to see an increase in narco-related activities here.

Looking ahead, the challenge we face today in Central America is to continue our resolve to stand by our allies in the peace process and in their right against insurgency, poverty, human rights abuse and narcotics trafficking. It would be premature and wrong for us to withdraw or phase out from this arena since we have scored many successes but the job is not yet done.

Thank you, Mr. Chairman. I am now ready to answer questions from you and other Members.

[The information follows:]

REMARKS

BY

THE HONORABLE HENRY S. ROWEN
ASSISTANT SECRETARY OF DEFENSE
FOR INTERNATIONAL SECURITY AFFAIRS
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE
ON MILITARY CONSTRUCTION

FEBRUARY 28, 1990

MR. CHAIRMAN, I THANK YOU FOR THE OPPORTUNITY TO APPEAR TODAY BEFORE THIS COMMITTEE TO ADDRESS THE DEVELOPMENTS IN ASIA AND CENTRAL AMERICA. I HAVE A FORMAL STATEMENT TO SUBMIT FOR THE RECORD. IN THE INTEREST OF YOUR TIME, I WILL ONLY SPEAK ON SOME HIGHLIGHTS AND THEN WE CAN HAVE QUESTIONS AND ANSWERS.

AS YOU KNOW, WE ARE WITNESSING PROFOUND CHANGES IN THE SOVIET EMPIRE - OR WHAT UNTIL RECENTLY WAS THE SOVIET EMPIRE. THERE ARE NOW THREE CRISES WITHIN THE SOVIET UNION: AN ECONOMIC CRISIS, A NATIONALITIES CRISIS, AND A CRISIS OF LEGITIMACY OF THE COMMUNIST PARTY. HOW THESE WILL UNFOLD, NO ONE KNOWS.

REGARDING MILITARY ASPECTS OF THESE CHANGES, THE MOST IMPORTANT DEVELOPMENT IS THE VIRTUAL COLLAPSE OF THE WARSAW PACT. SOVIET FORCES ARE NOW BEING ASKED TO LEAVE SEVERAL EAST EUROPEAN COUNTRIES AND REDUCTIONS ARE UNDERWAY IN SOVIET CONVENTIONAL FORCES. HOWEVER, SOVIET WEAPON PRODUCTION SEEMS TO CONTINUE AT A HIGH LEVEL AND THE COUNTRY RETAINS FORMIDABLE NUCLEAR FORCES. FURTHERMORE, CHANGES IN SOVIET CAPABILITIES AND ACTIVITIES IN REGIONS OTHER THAN EUROPE ARE LESS CONSEQUENTIAL THAN IN EUROPE.

THE PACIFIC OVERVIEW

IN CONTRAST TO EUROPE, EAST ASIA HAS WITNESSED LITTLE CHANGE. THE MAJOR CHANGES HAVE BEEN SOVIET TROOP REDUCTIONS ALONG THE SOVIET-SINO BORDER, THE REMOVAL OF SOME SOVIET AIRCRAFT FROM CAM RANH BAY, AND THE RETIREMENT OF SOME OLD SHIPS AND SUBMARINES

FROM THE SOVIET PACIFIC FLEET. HOWEVER, THERE IS ALSO AN ON-GOING MODERNIZATION EFFORT AND, ON BALANCE, THERE HAS PROBABLY BEEN A NET INCREASE IN SOVIET AIR AND NAVAL CAPABILITIES IN THIS REGION.

A MORE WORRISOME MILITARY THREAT IS FROM NORTH KOREA. IF A MAJOR WAR COMES, IT'S MORE LIKELY TO COME FROM THAT QUARTER THAN ANY OTHER. A PARTICULAR CONCERN TO THE U.S. AND ITS ASIAN ALLIES IS NORTH KOREA'S NUCLEAR PROGRAM. DESPITE OUR EFFORTS TO GET THE SOVIETS TO USE THEIR INFLUENCE ON THE NORTH KOREANS, THAT NUCLEAR PROGRAM STILL CONTINUES.

CHINA IS, OF COURSE, A MAJOR FACTOR IN THIS PART OF THE WORLD. IT CONTINUES TO PLACE MILITARY MODERNIZATION AT THE BOTTOM OF ITS LIST OF FOUR "MODERNIZATIONS" AND ITS INTERNATIONAL BEHAVIOR CONTINUES TO BE PRUDENT. HOWEVER, THE POLITICAL AND ECONOMIC PROSPECTS FOR THE PRC REMAINS UNCERTAIN.

IN SOUTHEAST ASIA, THE CONFLICT IN CAMBODIA REMAINS UNRESOLVED AND PERPLEXING. PEACE SO FAR CONTINUES TO ELUDE EVERYONE. WE SUPPORT THE AUSTRALIAN INITIATIVE AND THE EFFORTS OF THE U.N. PERMANENT FIVE TO FIND A SOLUTION WHICH WOULD RESTORE SELF-DETERMINATION FOR THE CAMBODIAN PEOPLE AND REDUCE THE CHANCES OF THE KHMER ROUGE RETURNING TO POWER.

ROLE OF THE U.S.

THE KEY U.S. INTERESTS IN ASIA-PACIFIC HAVE BEEN: TO DETER COMMUNIST EXPANSION AND SUBVERSION IN THE REGION, TO PROVIDE STABILITY WITHIN THE REGION, TO PROTECT FREEDOM OF NAVIGATION, AND TO PROMOTE POLITICAL AND ECONOMIC DEVELOPMENT. AS THE THREAT OF SUPERPOWER CONFRONTATION IS REDUCED, THE U.S. ROLE WILL CHANGE SOMEWHAT. COUNTRIES THAT WE LONG PROTECTED HAVE BECOME PROSPEROUS AND POWERFUL. AT THE SAME TIME, RIVALRIES AND DISTRUST CONTINUE TO EXIST. FOR THESE REASONS, THE U.S. NEEDS TO MAINTAIN ITS FORWARD DEPLOYED PRESENCE IN THIS PART OF THE WORLD.

AT THIS TIME, IT IS ALSO TRUE THAT A MODEST REDUCTION IN THE LEVEL OF U.S. TROOPS DEPLOYED IN THE PACIFIC IS FEASIBLE. THIS IS NOT DUE TO A REDUCTION OF THREATS, BUT BECAUSE OF THE STRENGTH OF THE DEFENSE FORCES OF OUR ALLIES AND THE GROWTH IN THEIR ECONOMIES, ESPECIALLY WITH JAPAN AND KOREA. AT THIS TIME, WE ARE LOOKING AT 10 TO 12 PERCENT TROOPS CUT IN THE NEXT THREE YEARS. INCREASINGLY, JOINT DEFENSE RESPONSIBILITIES WILL BE TRANSFERRED TO OUR ALLIES AS THEY ARE READY TO ASSUME THEM.

BASE RIGHTS IN THE PHILIPPINES

WE ARE ALSO KEENLY AWARE OF THE ON-GOING EVENTS THAT MIGHT LIMIT OUR ACCESS TO BASES IN THE PHILIPPINES. SUBIC NAVAL FACILITIES AND CLARK AIR BASE ARE IMPORTANT FOR OUR FORWARD DEPLOYED STRATEGY IN THE PACIFIC. OUR CONCERN FOR FREEDOM AND DEMOCRACY MEANS THAT U.S. SUPPORT FOR THE PHILIPPINES WILL BE PRIMARILY

FOR THE BENEFIT OF PHILIPPINE DEMOCRACY. CLEARLY, WE WOULD LIKE TO CONTINUE TO USE THESE TWO BASES. HOWEVER, WE WILL ONLY STAY AS LONG AS THE PHILIPPINE PEOPLE WANT US TO STAY AND ONLY IF THE TERMS NEGOTIATED ARE ACCEPTABLE TO BOTH PARTIES.

SOUTH KOREA

IN SOUTH KOREA, WE ARE DISCUSSING WAYS IN WHICH THE KOREANS CAN ASSUME A MORE PROMINENT ROLE IN PROVIDING FOR THEIR DEFENSE, BUT ONLY TO THE EXTENT THAT THEIR GROWING ECONOMIC STRENGTH ENABLES THEM TO DO SO. THIS PROCESS WILL TAKE SOME YEARS AND THE PACE WILL DEPEND ON THE LEVEL OF THREAT REDUCTION FROM NORTH KOREA AS WELL AS THE GROWING DEFENSE CAPABILITIES OF THE REPUBLIC OF KOREA. LET ME EMPHASIZE THAT OUR COMMITMENT TO SOUTH KOREA'S SECURITY IS UNDIMINISHED AND THAT WE HAVE NOT SEEN ANY REDUCTION IN THE THREAT FROM NORTH KOREA.

PARTNERSHIP WITH JAPAN

LET ME SAY A FEW WORDS ABOUT OUR PARTNERSHIP WITH JAPAN. THIS IS THE MOST IMPORTANT BILATERAL RELATIONSHIP WE HAVE TODAY. JAPAN CONTRIBUTES TO OUR JOINT SECURITY INTERESTS IN THREE IMPORTANT WAYS:

FIRST, JAPAN PROVIDES WELL-EQUIPPED FORCES TO PERFORM AGREED MISSIONS IN THE NORTHWEST PACIFIC. FOR EXAMPLE, JAPAN MAINTAINS OVER 50 DESTROYERS IN THE MARITIME SELF DEFENSE FORCE. THE

JAPAN AIR DEFENSE FORCE WILL HAVE APPROXIMATELY 200 F-15'S AND 100 F-4'S BY THE END OF THE YEAR. JAPANESE FORCES CONTINUE TO GROW IN COMPETENCE AND THE COOPERATION BETWEEN JAPANESE AND AMERICAN FORCES CONTINUES TO DEVELOP.

SECOND, JAPAN PROVIDES \$2.5 BILLION PER YEAR IN DIRECT AND INDIRECT FINANCIAL SUPPORT TO U.S. FORCES STATIONED IN THE COUNTRY. THIS IS THE MOST EXTENSIVE FINANCIAL HOST NATION SUPPORT ENJOYED BY U.S. FORCES ANYWHERE. I HAVE JUST VISITED TWO OF OUR BASES IN JAPAN AND I CAN TESTIFY TO THE IMPRESSIVE FACILITIES THAT THE JAPANESE BUILT FOR OUR FORCES.

THIRD, JAPAN CONTINUES TO MAKE LARGE INCREASES IN ASSISTANCE TO COUNTRIES IN WHICH BOTH THE U.S. AND JAPAN HAVE INTERESTS.

AS THE U.S.-JAPAN BILATERAL MILITARY RELATIONSHIP BECOMES MORE COMPLEX AND THE U.S.-JAPAN ECONOMIC COMPETITION DEEPENS, WE MUST CONTINUE TO WORK VIGOROUSLY WITH JAPAN TO RESOLVE OUR ECONOMIC TENSIONS AND TO KEEP THEM FROM DAMAGING OUR SECURITY RELATIONSHIP.

FUTURE PROSPECTS

LOOKING AHEAD, I AM OPTIMISTIC ABOUT THE PROSPECTS IN ASIA. DESPITE OUR DIFFERENCES WITH JAPAN, WE ARE TOO IMPORTANT FOR EACH OTHER TO ALLOW THIS RELATIONSHIP TO DETERIORATE.

SOUTH KOREA CONTINUES ITS HIGH ECONOMIC GROWTH PATH AND ITS INTERNAL POLITICS IS MOVING IN A PROMISING DIRECTION. NORTH KOREA REMAINS A SERIOUS PROBLEM. HERE, THE SOVIETS MUST WORK HARDER TO EXAMINE THEIR SUPPORT TO PYONGYANG. ON OUR PART, THE U.S. TROOP CUTS CAN BE SEEN AS AN ENCOURAGEMENT TO NORTH KOREA TOWARD A CONSTRUCTIVE CONFIDENCE-BUILDING DIALOGUE WITH THE SOUTH.

ON THE SOUTHERN BORDER OF CHINA, VIETNAM HAS SHOWN SOME IMPROVEMENTS. HANOI DECLARED THE END OF ITS MILITARY PRESENCE IN CAMBODIA IN SEPTEMBER 1989, THOUGH THERE ARE SOME REPORTS THAT SOME VIETNAMESE TROOPS HAVE REMAINED AS ADVISORS. IT ALSO CLAIMED TO HAVE RELEASED MOST OF THE "RE-EDUCATION CAMP" INMATES AND COOPERATED WITH US ON THE ISSUE OF POW/MIA. WE ENCOURAGE FURTHER COOPERATION ON THESE HUMANITARIAN ISSUES OF MUTUAL INTEREST.

FURTHER ON THE QUESTION OF CAMBODIA, AS YOU KNOW, WE ARE WORKING IN EARNEST WITH THE U.N. AND OTHER KEY PLAYERS TO BRING PEACE AND SELF-DETERMINATION BACK TO THAT WAR-TORN LAND. WE SUPPORT A COMPREHENSIVE POLITICAL SETTLEMENT IN CAMBODIA THAT PROVIDES FOR INTERNATIONAL VERIFICATION OF THE VIETNAMESE WITHDRAWAL, SAFEGUARDS AGAINST THE RETURN TO POWER OF THE KHMER ROUGE, AND GENUINE SELF-DETERMINATION FOR THE CAMBODIAN PEOPLE. A SUCCESSFUL OUTCOME OF THIS EFFORT WILL MARK THE VERY FIRST COOPERATION AMONG THE SUPERPOWERS IN ASIA UNDER TODAY'S NEW GEOPOLITICAL ENVIRONMENT.

CENTRAL AMERICA

TURNING TO THE WESTERN HEMISPHERE, MRS. CHAMORRO'S TREMENDOUS VICTORY IN NICARAGUA THIS PAST SUNDAY COMPLETES THE FIRST ESSENTIAL STEP IN THE DEMOCRATIZATION OF THAT COUNTRY. ALL FIVE COUNTRIES NOW HAVE DEMOCRATICALLY ELECTED GOVERNMENTS. HELPING TO BRING ABOUT THIS SITUATION HAS BEEN AN IMPORTANT GOAL OF U.S. POLICY. THIS CONTRASTS SHARPLY WITH THE EARLY 1980'S, WHEN ONLY ONE COUNTRY IN THE REGION, COSTA RICA, COULD CALL ITSELF A DEMOCRACY.

IN CENTRAL AMERICA, OUR OBJECTIVES HAVE LONG BEEN TO SUPPORT DEMOCRATICALLY ELECTED GOVERNMENTS, TO ASSIST THEM IN THEIR FIGHT AGAINST MARXIST GOVERNMENTS OR INSURGENTS, AND TO PROMOTE ECONOMIC DEVELOPMENT AND HUMAN RIGHTS IN THE REGION. OUR EFFORTS HAVE LARGELY BEEN SUCCESSFUL. THE RECORD SPEAKS FOR ITSELF. EL SALVADOR, THOUGH STILL FAR FROM AT PEACE, HAS HAD THREE ELECTIONS. DEMOCRACY IS RESTORED IN PANAMA. AND OF COURSE, THE ELECTION LAST SUNDAY IN NICARAGUA WAS THE LATEST VICTORY FOR OUR STEADFAST POLICY.

HOWEVER, THE SUCCESSFUL ELECTION IN NICARAGUA IS NOT THE END OF THIS PROCESS OR OF OUR COMMITMENT TO HELP THE COUNTRIES OF CENTRAL AMERICA. WE REMAIN COMMITTED TO THE ESQUIPULAS PEACE PLAN. IN ORDER TO LIVE UP TO THAT COMMITMENT, WE MUST CONTINUE TO WORK WITH AND SUPPORT THE COUNTRIES THAT HAVE PUT THE FULL

MORAL FORCE OF THEIR DEMOCRACIES INTO THE SEARCH FOR PEACE IN THE REGION.

EVEN THOUGH MRS. CHAMORRO WON A STUNNING VICTORY IN NICARAGUA, THE TURN OVER OF CONTROL FROM THE SANDINISTAS IS NOT YET IMPLEMENTED. HER MOST DIFFICULT TASK WILL BE TO BUILD A COMPETENT, APOLITICAL MILITARY AND PUBLIC SECURITY FORCE, AND TO ELIMINATE THEIR INTERFERENCE IN POLITICAL ACTIVITIES. PRESIDENT ORTEGA HAS PROMISED MRS. CHAMORRO HIS COOPERATION DURING THE TRANSITION. BUT THE QUESTION REMAINS: WILL THE SANDINISTA MILITARY BE BROUGHT UNDER DEMOCRATIC CONTROL? WILL SANDINISTA SUPPORT OF THE FMLN END, OR WILL IT CONTINUE AS AN UNDERGROUND EFFORT? WE ARE HOPEFUL BUT IT IS TOO EARLY TO ANSWER THESE QUESTIONS OR TO MAKE DECISIONS BASED ON WHAT WE HOPE THE ANSWERS WILL BE.

WITH REGARD TO RECENT EVENTS IN PANAMA, OPERATION JUST CAUSE WAS WELCOMED BY THE PEOPLE OF PANAMA AND UNDERTAKEN WITH THE SUPPORT AND COOPERATION OF THE DEMOCRATICALLY ELECTED ENDARA GOVERNMENT. AT THIS TIME, WE ARE WORKING WITH THE ENDARA GOVERNMENT TO RESTORE PUBLIC SERVICES, PUBLIC ORDER, CONFIDENCE IN DEMOCRATIC INSTITUTIONS AND RESPECT FOR HUMAN RIGHTS.

A CONCERN TO US IS THE CONTINUING INSURGENCIES IN EL SALVADOR AND GUATEMALA. THE SALVADORAN ARMED FORCES REMAIN TIED DOWN BY THE FMLN GUERRILLAS AND GUATEMALA STILL CONFRONTS A PERSISTENT LEFTIST INSURGENCY. WE ARE ALSO VERY MINDFUL OF THE CONDITIONS

OF HUMAN RIGHTS IN THESE TWO COUNTRIES, AND WE WILL CONTINUE TO PRESS FOR IMPROVEMENT IN OUR CONSULTATIONS WITH THEM.

ANOTHER IMPORTANT FOCUS OF OURS IS ECONOMIC DEVELOPMENT IN THE REGION. THE DEMOCRATIZATION IN NICARAGUA WILL BE A MILESTONE IN OUR CARIBBEAN BASIN INITIATIVE SINCE THAT PROCESS NOW CAN ACCELERATE IN PEACEFUL CONDITION.

LASTLY, THE PROBLEM OF NARCOTICS TRAFFICKING IS TAKING ON MORE SIGNIFICANCE IN THIS REGION BECAUSE WE ARE BECOMING MORE SUCCESSFUL IN INTERDICTION ELSEWHERE IN LATIN AMERICA. WE SHOULD EXPECT TO SEE AN INCREASE IN NARCO-RELATED ACTIVITIES HERE.

LOOKING AHEAD, THE CHALLENGE WE FACE TODAY IN CENTRAL AMERICA IS TO CONTINUE OUR RESOLVE TO STAND BY OUR REGIONAL ALLIES IN THE PEACE PROCESS AND IN THEIR FIGHT AGAINST INSURGENCY, POVERTY, HUMAN RIGHTS ABUSE AND NARCOTICS TRAFFICKING. IT WOULD BE PREMATURE AND WRONG FOR US TO WITHDRAW OR PHASE OUT FROM THIS ARENA SINCE WE HAVE SCORED MANY SUCCESSES BUT THE JOB IS NOT YET DONE.

THANK YOU, MR. CHAIRMAN. I AM NOW READY TO ANSWER QUESTIONS FROM YOU AND OTHER MEMBERS.

Mr. ALEXANDER [presiding]. Thank you for your statement. Admiral Hardisty?

STATEMENT OF ADMIRAL HARDISTY

Admiral HARDISTY. I am pleased to be here today to discuss the importance of military construction in the Pacific Command during this era of remarkable change. From a global perspective, the changes have been very positive, as nation after nation has thrown off the yoke of communism and dictatorship to experience freedom and democracy. But while dramatic change has swept both Eastern Europe and the Soviet Union, the much publicized reduction of arms in Europe has not been reflected in the Pacific theater. There have been troop reductions along the Chinese border; the Soviets have begun to phase out obsolete equipment; and the Soviet Navy is staying closer to its own shores because of budgetary constraints. But in the Pacific, 1989 saw: Democratic trends reversed in China; a democratic government attacked in the Philippines; a dangerous and unpredictable regime still in power in North Korea; continued fighting in Cambodia; increased drug trafficking and refugee problems in Southeast Asia; and qualitative improvements in Soviet capabilities in the Pacific.

I strongly support the reduction of global tensions, but threats to our long-term national interests still exist. The economic balance of the world has shifted to the Pacific, and our economic future is increasingly intertwined with the markets and resources of Asia and the Pacific. Regional instability could threaten that economic future.

Sources of potential instability abound: North Korean capabilities are still growing; ethnic tensions and religious fundamentalism are on the rise; new regional powers are emerging; trade rivalries are growing; and finally, the Soviet military retains major capabilities in the region.

In short, while global threats are diminishing, regional instabilities still present valid security concerns. At the same time, our national interests remain unchanged, as do the moral values which produce our strong commitment to: Maintain our own freedom, security, and democracy; and advance the blessings of liberty and respect for human rights worldwide.

In order to accomplish these objectives, we must remain a global power, prepared to protect and advance our global interests.

Based on these considerations, we have reviewed and revised the Pacific Command's strategy. I have concluded that our present "economy of force" strategy, which relies on lean, forward deployed forces in the Pacific, is fundamentally sound.

It provides us unique access and influence; it maintains an effective deterrent; it encourages stability for economic growth; and it allows us to respond rapidly and decisively in time of crisis.

However, the focus of this strategy has shifted to emphasize regional stability, increased allied contributions, and expanded military-to-military contacts. Accordingly, some adjustments to our structure can and should be made. My recommendations for such adjustments will be reflected in upcoming reports to Congress.

The essential element of this strategy for stability is the forward deployed presence of high quality people, first rate equipment, and the infrastructure required to support them. Of these elements, infrastructure made the least progress during the defense build up, and it will decline quickly if not adequately funded. We understand the budgetary and political realities of the day, and we have been conservative in our approach to the construction and maintenance of facilities. Japan is providing \$658 million (140 yen per dollar) in JFIP funding during FY 89, and Korea has recently completed airfield construction for new U.S. Apache attack helicopters, along with several other projects. There is no doubt that our allies can and should do more in this regard—and I think they will.

In drafting our facilities program this year, we have weighed all of these considerations as well as our own potential force structure adjustments. As you know, we still have obligations to our own forces and our own interests. Reducing the resources available will have a direct impact on our day-to-day operations and the welfare of our people.

Our economic future demands that the United States remain a Pacific power. For the first time in decades, we see more opportunities in the world than threats. Our military construction program is a key part of our strategy to seize those opportunities, maintain regional stability, and advance U.S. interests in Asia and the Pacific.

[The information follows:]

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ON MILITARY CONSTRUCTION

STATEMENT OF
ADMIRAL HUNTINGTON HARDISTY, USN
COMMANDER IN CHIEF
UNITED STATES PACIFIC COMMAND

BEFORE THE
THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON MILITARY CONSTRUCTION
28 FEBRUARY 1990



Commander In Chief
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ON MILITARY CONSTRUCTION

STATEMENT OF ADMIRAL HUNTINGTON HARDISTY
COMMANDER IN CHIEF, U. S. PACIFIC COMMAND
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE,
SUBCOMMITTEE ON MILITARY CONSTRUCTION
28 FEBRUARY 1990

MR. CHAIRMAN:

IT IS A PLEASURE TO BE HERE TODAY TO TALK ABOUT THE PACIFIC COMMAND. YOU AND THE DISTINGUISHED MEMBERS OF YOUR COMMITTEE HAVE REPEATEDLY SHOWN INTEREST IN PRESERVING AMERICA'S VITAL SECURITY INTERESTS IN ASIA AND THE PACIFIC. AS A NATION, WE HAVE REASON FOR PRIDE IN OUR SUCCESSES IN THIS REGION: EMPLOYING ONLY ABOUT SIXTEEN PERCENT OF THE ACTIVE U.S. MILITARY STRENGTH, WE HAVE HELPED TO MAINTAIN REGIONAL STABILITY FOR OVER FORTY YEARS IN AN AREA THAT ENCOMPASSES HALF THE GLOBE. WE HAVE ACCOMPLISHED THIS THROUGH FORWARD DEPLOYMENT, FORCE READINESS, AND VISIBLE SUPPORT FOR OUR ALLIES AND FRIENDS. WITH YOUR HELP, I BELIEVE WE CAN CONTINUE THAT ACHIEVEMENT.

MUCH HAS CHANGED GLOBALLY SINCE LAST YEAR. WE ARE MORE HOPEFUL OF A WORLD FREE FROM THE OPPRESSION OF THE OLD COMMUNIST REGIMES AND A WORLD MOVING TO REJECT CRIMINAL EXPLOITATION BY DRUG CARTELS AND DICTATORS.

IN THE ASIA/PACIFIC REGION, THE U.S. STRATEGY OF CONTAINMENT AND THE DETERRENCE MEASURES ASSOCIATED WITH THAT STRATEGY HAVE

BEEN SUCCESSFUL AND WE ARE SHIFTING OUR FOCUS FOR THE FUTURE FROM BIPOLAR (U.S. - U.S.S.R.) TO MULTIPOLAR AND REGIONAL CONSIDERATIONS. WITH THE EXCEPTION OF EUROPE, ALL THE REGIONAL POWERS EMERGING IN THE MULTIPOLAR WORLD WILL BE IN OR BORDER ON THE U.S. PACIFIC COMMAND (U.S., JAPAN, U.S.S.R., CHINA, INDIA). OUR PACIFIC STRATEGY MUST DEAL WITH THE REALITIES OF THE REGION -- DIVERSITY, CHANGE, INCREASING U.S. INTERESTS, AND THE NEED TO MAINTAIN THE CONFIDENCE OF OUR ALLIES -- IN ORDER TO BEST SERVE U.S. INTERESTS AS WE MOVE FORWARD INTO THE FUTURE.

IMPORTANCE OF THE PACIFIC

ASIA AND THE PACIFIC ARE CONTINUING A PERIOD OF IMPRESSIVE GROWTH. OLD VALUES AND RELATIONSHIPS ARE CHANGING, AND THE BALANCE OF POLITICAL, MILITARY, AND ECONOMIC POWER IS CHANGING AS WELL. IN THE PAST, WE WERE THE DOMINANT PARTNER IN THE NETWORK OF BILATERAL RELATIONSHIPS AND ALLIANCES THAT WORKED TO MAINTAIN PEACE AND STABILITY IN THE PACIFIC. BUT NOW, SOME OF OUR ALLIES ARE OUR MOST VIGOROUS ECONOMIC COMPETITORS. POLITICAL DEVELOPMENTS ACROSS THE REGION HAVE NURTURED NEW LEVELS OF NATIONALISM THAT WE MUST UNDERSTAND AND APPRECIATE AS WE WORK WITH OLD FRIENDS. NEWLY INDEPENDENT NATIONS IN THE SOUTH PACIFIC WATCH US CLOSELY AS THEY SEARCH FOR THEIR OWN NATIONAL IDENTITY AND DIRECTION. WE ARE OPERATING CAREFULLY IN THIS CHANGING INTERNATIONAL ENVIRONMENT, ENSURING THAT WE DO NOT CONFUSE OUR FRIENDS OR UNDERMINE THE ALLIANCE STRUCTURES THAT HAVE PROVEN SO SUCCESSFUL IN THE PAST.

AMERICA'S ECONOMIC AND POLITICAL WELL-BEING ARE INEXTRICABLY LINKED TO THE NATIONS OF THE PACIFIC RIM. THE U.S. AND JAPAN TOGETHER ACCOUNT FOR 40% OF THE GROSS WORLD PRODUCT. U.S. TRADE WITH ASIA AND THE PACIFIC HAS EXCEEDED OUR TRADE WITH EUROPE FOR THE PAST SEVENTEEN YEARS, AND IS GREATER NOW THAN OUR COMBINED TRADE WITH OUR NORTH AND SOUTH AMERICAN NEIGHBORS AS WELL. TODAY THE ASIAN GROSS NATIONAL PRODUCT EQUALS THAT OF EUROPE AND IS GROWING AT AN AVERAGE RATE THREE PERCENT FASTER THAN THAT OF EUROPE. THE UNITED STATES' FUTURE ECONOMIC SUCCESS WILL BE CLOSELY TIED TO ECONOMIC SUCCESS IN ASIA.

ALMOST TWO-THIRDS OF THE WORLD'S POPULATION LIVES IN THIS AREA NOW AND THE NUMBER IS GROWING. DEMOCRACY IS ADVANCING IN GENERAL, BUT ITS FINAL SUCCESS IS BY NO MEANS ASSURED.

OUR NATIONAL SECURITY INTERESTS DIRECTLY REFLECT OUR REGIONAL ECONOMIC AND POLITICAL TIES. MILITARILY, THE NATIONS THAT MAINTAIN SEVEN OF THE WORLD'S TEN LARGEST ARMIES ARE WITHIN ASIA AND THE PACIFIC REGION, AND FIVE OF OUR NATION'S SEVEN MUTUAL DEFENSE TREATIES ARE WITH PACIFIC NATIONS; WE HAVE ADDITIONAL FORMAL SECURITY OBLIGATIONS TO THE REPUBLIC OF THE MARSHALL ISLANDS AND TO THE FEDERATED STATES OF MICRONESIA. THE UNITED STATES IS AND MUST CONTINUE TO BE A GREAT MARITIME TRADING NATION. THE GEOGRAPHY OF BOTH THE PACIFIC AND THE INDIAN OCEANS MAKES THE AREA STRATEGICALLY IMPORTANT NOT JUST TO THE UNITED STATES BUT TO ALL THE WORLD'S MAJOR ECONOMIC POWERS.

WE HAVE THREE BROAD REGIONAL OBJECTIVES FOR THE FUTURE.

FIRST, WE WISH TO MAINTAIN AN OVERALL ENVIRONMENT OF STABILITY AND REGIONAL BALANCE IN WHICH DEMOCRACIES CAN FLOURISH AND ECONOMIES CAN GROW. THIS IS BEST SERVED BY PRESENCE, POSITIVE INVOLVEMENT, SECURITY ASSISTANCE, AND BY BUILDING TRUST AND CONFIDENCE. SECOND, WE WILL WANT TO CONTINUE TO EXPAND BILATERAL MILITARY-TO-MILITARY RELATIONSHIPS THROUGHOUT THE REGION WHERE SUCH RELATIONSHIPS SUPPORT U.S. SECURITY, ECONOMIC, AND POLITICAL INTERESTS. FINALLY, WE SHOULD MAINTAIN A DETERRENT POSTURE WHERE CIRCUMSTANCES WARRANT; THE KOREAN PENINSULA IS THE PRIME EXAMPLE. THESE OBJECTIVES WILL BEST SUPPORT U.S. POLITICAL, ECONOMIC, AND SECURITY INTERESTS AND WILL CARRY US THROUGH THE 1990'S AND INTO THE NEXT CENTURY.

TO ATTAIN THESE OBJECTIVES WE MUST HAVE FORCES THAT ARE COMBAT READY; CONFIGURED FOR RAPID REACTION AND MOBILITY; AND POSITIONED SUCH THAT THEY CAN REACT ACROSS THIS VAST THEATER IN A TIMELY MANNER TO ANY CRISIS OR THREATS TO U.S. INTERESTS OR CITIZENS. FORWARD LOCATED MILITARY FACILITIES ADEQUATE TO SUPPORT THESE FORCES ARE NECESSITIES IF OUR CURRENT HIGH LEVEL OF READINESS IS TO CONTINUE.

THE THREAT

WE APPLAUD THE RECENT EASING OF TENSIONS IN EUROPE AND HOPE THAT THIS TREND WILL CONTINUE UNTIL IT EMBRACES ASIA AND THE PACIFIC. WE ARE GREATLY ENCOURAGED BY GENERAL SECRETARY GORBACHEV'S INITIATIVES, BY THE EXCHANGE OF VISITS BETWEEN U.S. AND SOVIET MILITARY LEADERS, AND BY THE VIGOR OF ONGOING STRATEGIC

AND CONVENTIONAL ARMS CONTROL TALKS. IN MY JUDGEMENT, GLOBAL WAR WITH THE SOVIET UNION IS LESS LIKELY TODAY.

WE CONTINUE TO WORK TOWARD CONSTRUCTIVE ENGAGEMENT WITH THE SOVIETS IN THE PACIFIC. AS A STEP IN THIS DIRECTION WE HOPE TO SEE U.S.-SOVIET RECIPROCAL PORT VISITS THIS YEAR. IN THE FUTURE I LOOK FORWARD TO HOSTING THE SOVIET FAR EAST THEATER COMMANDER IN HONOLULU AND VISITING HIS COMMAND IN RETURN. BUT PROGRESS TOWARD PEACE IN THE PACIFIC HAS NOT COMPLETELY PARALLELED THAT IN EUROPE, AND VERY REAL THREATS TO REGIONAL STABILITY STILL EXIST.

IN KOREA, OUR ASSESSMENT OF THE POTENTIAL THREAT FROM THE NORTH IS UNCHANGED. U.S. AND ALLIED FORCES IN KOREA STAND TOGETHER TO FACE A STRONG ADVERSARY ACROSS A TROUBLED BORDER; BUT UNLIKE THE SITUATION IN EUROPE, NO MUTUAL FORCE REDUCTION TALKS ARE BEING CONDUCTED IN KOREA AND WARNING TIME REMAINS VERY SHORT.

ALLIED PACIFIC NATIONS CONTINUE TO FACE INTERNAL AND EXTERNAL ENEMIES WHOSE ACTIVITIES ARE OFTEN UNAFFECTED BY CHANGES IN THE SOVIET UNION. INSURGENCIES, TERRORISM, DRUG TRAFFICKING, ETHNIC UNREST, AND POPULATION AND SOCIAL PRESSURES TROUBLE THIS REGION JUST AS THEY TROUBLE THE WORLD.

REGIONAL THREATS HAVE CHANGED SOMEWHAT, BUT THEY HAVE NOT GONE AWAY. WE MUST REMIND OURSELVES THAT -- UNLIKE EASTERN EUROPE WHERE COMMUNIST REGIMES ARE BEING REPLACED BY DEMOCRATIC REFORMS -- IN ASIA, REPRESSIVE REGIMES AND DICTATORS HAVE SLAMMED THE DOOR ON REFORMS.

FINALLY, THE QUANTITY AND QUALITY OF SOVIET MILITARY FORCES

IN THEATER REMAINS FORMIDABLE. THIS IS NOT TO SAY THERE HAS NOT BEEN CHANGE -- THERE HAS BEEN RETIREMENT OF OLDER EQUIPMENT, REDEPLOYMENT OF SOME GROUND FORCES, AND ALTERED PATTERNS OF RECONNAISSANCE AND OPERATIONAL ACTIVITIES. HOWEVER, IMPROVED REPLACEMENT EQUIPMENT IS BEING FIELDIED AND STRONG FORCES STILL REMAIN IN LOCATIONS FROM WHICH THEY CAN THREATEN OUR VITAL INTERESTS IN NORTHEAST ASIA. SOVIET POWER PROJECTION CAPABILITIES HAVE QUALITATIVELY IMPROVED, AND THEIR MODERNIZATION OF STRATEGIC SYSTEMS CONTINUES. ALTHOUGH THEIR INTENTIONS APPEAR TO HAVE CHANGED, THE SOVIETS RETAIN SIGNIFICANT WARFIGHTING CAPABILITY IN THE PACIFIC REGION.

U.S. GOAL AND OBJECTIVES IN THE PACIFIC

OUR OVERALL GOAL IS TO PROVIDE A SECURITY UMBRELLA FOR ASIA AND THE PACIFIC UNDER WHICH U.S. NATIONAL INTERESTS CAN BE ATTAINED, DEMOCRACIES CAN FLOURISH, FREE TRADE AND COMMERCE CAN PROSPER, AND BASIC HUMAN RIGHTS CAN BE PRESERVED. TO ACHIEVE THIS GOAL WE SEEK ACCESS AND INFLUENCE IN PEACETIME; WE PREPARE TO DETER AGGRESSION IN TIME OF CRISIS; AND, IF U.S. INTERESTS, CITIZENS, OR ALLIES ARE ATTACKED OR THREATENED, WE ARE READY TO RESPOND PROMPTLY AND DECISIVELY.

WE ENVISION A MULTIPOLAR FUTURE WORLD CONTAINING SIX MAJOR POWER CENTERS. FIVE OF THOSE POWER CENTERS BORDER THE PACIFIC COMMAND:

-- THE UNITED STATES: THE MAJOR WORLD PLAYER AND RECOGNIZED BALANCER IN THE REGION, BUT FACING INCREASING PRESSURES TO REDUCE

ITS PRESENCE DUE TO ECONOMIC COMPETITION AND BUDGETARY DEFICITS.

-- THE SOVIET UNION: FACING AN UNCERTAIN FUTURE WITH GREAT INTERNAL TENSIONS BROUGHT ON BY REFORMS AND GROWING NATIONALISTIC AND ECONOMIC EXPECTATIONS OF ITS PEOPLE; WITH AN EXTERNAL POLICY FOCUSED ON ATTEMPTS TO "TAP-IN" TO THE PACIFIC AND EUROPEAN ECONOMIES.

-- JAPAN: A PRODUCER STATE WITH PROSPERITY HIGHLY DEPENDENT ON CONTINUED ACCESS TO RESOURCES AND MARKETS. THE WORLD'S BANKER, MAINTAINING SIGNIFICANT INFLUENCE OVER MANY OF THE WORLD'S INDUSTRIAL NATIONS, BUT WITH AN AGING POPULATION AND GROWING SOCIAL PRESSURES.

-- INDIA: THE ONLY REGIONAL POWER IN THE INDIAN OCEAN IN THE ABSENCE OF A BALANCING POWER.

-- AND CHINA: A REGIONAL POWER ALSO. MODERNIZING ECONOMICALLY, BUT SLOWLY. CONVULSED WITH A GENERATIONAL LEADERSHIP CHANGE AND INTERNAL POLITICAL PRESSURES. NEVERTHELESS, PRAGMATIC, INDEPENDENT, AND BEHOLDEN TO NO ONE.

AS THE WORLD CHANGES, THE THREATS TO OUR REGIONAL GOALS CHANGE. ACCORDINGLY, WE HAVE RELOOKED OUR REGIONAL STRATEGY FOR THE FUTURE. IN THE PACIFIC, OUR PAST STRATEGY OF CONTAINMENT WAS BASED ON A BIPOLAR, GLOBAL SCENARIO. SUCH A WORST-CASE CONDITION CANNOT BE COMPLETELY DISCOUNTED SO LONG AS THE SOVIET UNION RETAINS ITS CURRENT CAPABILITIES AND ITS INTERNAL REFORMS SET IN MOTION ARE NOT COMPLETED. HOWEVER, THE MOST PROBABLE THREATS TO PEACE IN ASIA AND THE PACIFIC NOW LIE IN OTHER DIRECTIONS.

MULTIPOLAR, REGIONAL THREATS NOW REQUIRE AN INCREASED

EMPHASIS ON MAINTAINING REGIONAL STABILITY AND BALANCE. WHILE THERE IS NO "NATO-LIKE" MULTILATERAL DEFENSE STRUCTURE IN THE PACIFIC TO HELP US TO ACHIEVE THESE OBJECTIVES, WE HAVE SUCCESSFULLY BUILT A NETWORK OF BILATERAL RELATIONSHIPS BY TAILORING OUR APPROACH TO EACH OF OUR SECURITY PARTNERS AND FRIENDS.

CREDIBLE U.S. PRESENCE IN POTENTIAL TROUBLE SPOTS IS ONE OF THE STRONGEST STABILIZING FORCES WE CAN OFFER. THE PERCEPTION THAT WE HAVE THE CAPABILITY TO RESPOND QUICKLY TO CALLS FROM OUR FRIENDS AND ALLIES IS A STRONG DETERRENT. FORTUNATELY, THE STRUCTURE AND POSITIONING OF U.S. FORCES IN ASIA AND THE PACIFIC THAT HAVE BEEN SO IMPORTANT TO THE SUCCESSFUL STRATEGY OF CONTAINMENT IN THE PAST ALSO LEND THEMSELVES IDEALLY TO PROTECTING U.S. INTERESTS AND CITIZENS BY MAINTAINING REGIONAL STABILITY. MOST OF OUR FORCES IN THE PACIFIC ARE LIGHT AND HIGHLY MOBILE. THEY ARE EASILY TAILORED IN SIZE AND COMPOSITION TO MEET WHATEVER THREAT ARISES. WE HAVE THE NECESSARY PLANS AND FORCES IN THEATER TO PROVIDE FLEXIBLE RESPONSES RANGING FROM A SHOW OF FORCE TO SUSTAINED JOINT COMBAT OPERATIONS.

IN 1989 WE STOOD UP OUR COUNTERNARCOTICS EFFORT, WHICH I HAVE ESTABLISHED AS THE COMMAND'S NUMBER ONE PEACETIME PRIORITY. WE HAVE MADE PROGRESS IN OUR DETECTION, SURVEILLANCE, AND MONITORING MISSIONS THROUGH THE ACTIVATION OF JOINT TASK FORCE FIVE AND EXPECT TO MAKE EVEN GREATER STRIDES AS THE TASK FORCE'S FUSION CENTER COMES ON LINE IN MID-MAY. WE HAVE PROVIDED VALUABLE RECONNAISSANCE ASSISTANCE TO DEA IN THEIR MARIJUANA ERADICATION

EFFORTS IN HAWAII, AND STAND READY TO SUPPORT THE U.S. ATLANTIC COMMAND, THE U.S. SOUTHERN COMMAND, AND THE U.S. FORCES COMMAND IN COUNTERNARCOTICS MISSIONS.

THEATER MILITARY CONSTRUCTION REQUIREMENTS

U.S. CONVENTIONAL FORCES ARE ESSENTIAL TO THE SUCCESS OF OUR DEFENSE POLICIES IN THE PACIFIC -- HIGH QUALITY FORCES THAT ARE TRAINED AND READY TO FIGHT; CAPABLE OF FORCE PROJECTION WHENEVER AND WHEREVER REQUIRED; AND SUPPLIED AND SUSTAINED WITH EQUIPMENT AND WEAPONS THAT WILL BE ABLE TO COUNTER A NUMERICALLY SUPERIOR ENEMY OR ONE EQUIPPED WITH ADVANCED WEAPON SYSTEMS. THE TRAINING, SAFETY, OPERATIONAL EFFICIENCY, AND QUALITY OF LIFE OF THESE FORWARD DEPLOYED FORCES AROUND THE PACIFIC ARE STRONGLY DEPENDENT UPON THE INFRASTRUCTURE AVAILABLE TO SUPPORT THEM.

WE HAVE IDENTIFIED AND ESTABLISHED REQUIREMENTS FOR MILITARY CONSTRUCTION PROJECTS TO SUPPORT OUR FORCES. THE FOLLOWING IS AN ASSESSMENT OF THE MOST TOPICAL CONCERNS IN THEATER:

HAWAII:

HAWAII IS A HUB FOR MUCH OF OUR NAVAL WARFIGHTING CAPABILITY. THE FISCAL YEAR 1991 BUDGET REQUESTS FUNDING FOR SEVENTEEN MILITARY CONSTRUCTION PROJECTS IN HAWAII, TOTALLING \$77 MILLION. TOP PRIORITY PROJECTS IN THIS BUDGET REQUEST ARE:

* ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMENTS AT THE PEARL HARBOR SUBMARINE BASE, TO IMPROVE CAPABILITIES FOR MAINTENANCE AND REPAIR OF ATTACK SUBMARINES.

* SURVEILLANCE TOWED ARRAY SONAR SYSTEM (SURTASS) SUPPORT CENTER, TO SUPPORT NEW SUBHUNTING SHIPS BEING DEPLOYED TO THE PACIFIC BY FISCAL YEAR 1993.

* FAMILY HOUSING, TO CONSTRUCT 138 NEW SETS OF QUARTERS FOR JUNIOR ENLISTED FAMILIES TO PROVIDE SOME RELIEF FROM THE CONTINUING SHORTAGE OF AFFORDABLE HOUSING ON OAHU. WE CURRENTLY HAVE A SHORTAGE OF 1250 FAMILY HOUSING UNITS, AND THIS SHORTAGE WILL GROW TO 2450 FAMILY HOUSING UNITS IF THE USS MISSOURI SURFACE ACTION GROUP IS HOMEPORTED IN HONOLULU.

WE ARE PURSUING AN AGREEMENT THAT PAVES THE WAY FOR CONSTRUCTION OF A CAUSEWAY AT PEARL HARBOR -- A PROJECT THAT WILL ALLOW ACCESS TO FORD ISLAND, WHERE HUNDREDS OF NEW HOUSING UNITS AND OTHER FACILITIES CAN BE SITED. THIS INITIATIVE WILL GO A LONG WAY TOWARD CORRECTING THE PRESENT HOUSING SHORTING.

ALASKA:

UPGRADES AND CONSTRUCTION OF FACILITIES TO SUPPORT OUR FORCES IN ALASKA AND THE ALEUTIANS ARE BECOMING INCREASINGLY IMPORTANT. THE FISCAL YEAR 1991 BUDGET REQUESTS \$131 MILLION FOR 18 MILITARY CONSTRUCTION PROJECTS IN ALASKA. FUNDING FOR THE RELOCATABLE OVER-THE-HORIZON RADAR (ROTH-R) SUPPORT COMPLEX ON AMCHITKA, AND FOR OVER-THE-HORIZON-BACKSCATTER (OTH-B) SUPPORT FACILITIES AT VARIOUS LOCATIONS IN ALASKA ARE PARTICULARLY IMPORTANT FOR SUPPORT OF THE LONG RANGE EARLY WARNING AND DETECTION SYSTEMS BEING DEPLOYED ON OUR NORTHERN FLANK.

GUAM:

GUAM CONTINUES TO BE AN IMPORTANT LOCATION FOR OUR BASING STRUCTURE IN THE SOUTHWESTERN PACIFIC. THE FISCAL YEAR 1991 BUDGET REQUESTS FUNDING FOR THREE MILITARY CONSTRUCTION PROJECTS ON GUAM TOTTALLING \$18 MILLION. ONE OF OUR TOP PRIORITY PROJECTS IS THE TOMAHAWK CRUISE MISSILE SUPPLY COMPLEX AT THE NAVAL MAGAZINE, GUAM. THIS PROJECT IS AN IMPORTANT ADDITION TO SUSTAINABILITY FOR OUR NAVAL FORCES, AS THERE ARE NO OTHER SUITABLE FACILITIES ON THE ISLAND FOR PROPER STORAGE OF TOMAHAWK MISSILES.

JAPAN:

THE U.S. SECURITY RELATIONSHIP WITH JAPAN IS THE LINCHPIN OF OUR PACIFIC STRATEGY. MAINTENANCE OF THE CLOSE U.S.-JAPANESE SECURITY RELATIONSHIP AND A JAPANESE SELF-DEFENSE FORCE CONSISTENT WITH ITS CONSTITUTION IS VITAL TO REGIONAL PEACE AND STABILITY.

THE JAPANESE ARE WELL ON THEIR WAY TOWARD A SELF-DEFENSE FORCE CAPABLE OF MEETING THEIR COMMITMENT TO DEFEND THE SEA LANES OUT TO 1000 MILES. AIRBORNE EARLY WARNING, HIGH PERFORMANCE INTERCEPTORS, SEABORNE AIR DEFENSE, AND ANTI-SUBMARINE PLATFORMS ARE THE PREREQUISITES, AND ALL ARE BEING ACCOMMODATED AND UPGRADED IN JAPANESE DEFENSE PLANS AND PROGRAMS.

THE JAPANESE HAVE DONE MUCH IN THE AREA OF BURDENSARING -- BUT I BELIEVE THEY CAN AND SHOULD DO MORE TO HELP IMPROVE STABILITY AROUND THE PACIFIC RIM. WE HAVE BEEN WORKING CLOSELY

WITH OSD TO DEVELOP INNOVATIVE COST SHARING IMPROVEMENTS FOR THE MAINTENANCE AND SUPPORT OF U.S. FORCES, AS WELL AS TO INCREASE JAPANESE CONTRIBUTIONS TO ASSIST ECONOMIC DEVELOPMENT, SUPPORT PEACEKEEPING, AND COMBAT DRUG TRAFFICKING. OUR OVERALL APPROACH MUST BE COMPREHENSIVE BUT MEASURED, AND MUST NOT ALLOW FRICTION IN TRADE OR ECONOMIC RELATIONS TO UNDERMINE A SECURITY RELATIONSHIP THAT IS VITAL TO OUR LONG-TERM STRATEGIC INTERESTS.

JAPAN CONTINUES TO ASSUME MORE OF THE BURDEN OF FACILITY CONSTRUCTION TO SUPPORT U.S. FORCES IN JAPAN; INDEED, THE AMOUNT OF JAPANESE SUPPORT PROVIDED THROUGH THE FACILITIES IMPROVEMENT PROGRAM IS THE LARGEST OF ALL OUR HOST NATIONS. IN FISCAL YEAR 1991 JAPAN WILL PROVIDE \$697 MILLION IN FACILITIES CONSTRUCTION TO SUPPORT OUR FORCES, A FIVE PERCENT INCREASE OVER LAST YEAR AND TWICE THE LEVEL OF U.S. MILITARY CONSTRUCTION DOLLARS PROGRAMMED FOR THE ENTIRE PACIFIC THEATER.

SOME OF OUR MILITARY CONSTRUCTION REQUIREMENTS IN JAPAN ARE STILL UNFUNDED. AS YOU KNOW, JAPAN IS RELUCTANT TO PROVIDE SUPPORT FOR CERTAIN TYPES OF U.S. MILITARY FACILITIES AND PROJECTS. WE FORESEE A CONTINUING NEED FOR U.S. SUPPORT OF SMALL SCALE MILITARY CONSTRUCTION PROJECTS.

REPUBLIC OF KOREA:

THE ECONOMIC STRENGTH OF KOREA AND ITS IMPROVED DEFENSE POSTURE IS AN IMPORTANT REGIONAL DEVELOPMENT. U.S. FORCE PRESENCE WILL CONTINUE TO BE REQUIRED IN THE 1990'S AS A PROVEN DETERRENT TO NORTH KOREAN ADVENTURISM, BUT IT IS TIME FOR US TO TRANSITION

TO A MORE SUPPORTING ROLE THAT REFLECTS THE REPUBLIC OF KOREA'S INCREASED CAPABILITY TO PROVIDE FOR ITS OWN DEFENSE.

SOUTH KOREA IS ALREADY CONTRIBUTING TO THE COST OF MAINTAINING OUR FORCES ON THE PENINSULA. DURING 1990 THEY WILL PROVIDE \$40 MILLION FOR CONSTRUCTION OF OPERATIONAL FACILITIES FOR U.S. FORCES UNDER THE COMBINED DEFENSE IMPROVEMENT PROGRAM. WE BELIEVE THEY CAN DO MORE, HOWEVER, AND WE HAVE PROPOSED WAYS FOR THEM TO INCREASE THEIR CONTRIBUTIONS IN THE AREAS OF AIRCRAFT MAINTENANCE, ADDITIONAL FACILITY CONSTRUCTION, AND LABOR COST SHARING. UNTIL THESE INITIATIVES BEAR FRUIT, THERE REMAINS A NEED FOR U.S. FUNDING OF SELECTED MILITARY CONSTRUCTION PROJECTS IN THE REPUBLIC OF KOREA.

PHILIPPINES:

THE PHILIPPINES PROVIDE US VITAL FACILITIES TO TRAIN AND SUSTAIN OUR FORCES AND TO PROTECT CRITICAL SEA LINES OF COMMUNICATION. WE CONDUCT SIXTY-FIVE PERCENT OF OUR TRAINING IN THE WESTERN PACIFIC IN THE PHILIPPINES; EXCELLENT TRAINING RANGES AND FACILITIES AT CROW VALLEY ARE NOT AVAILABLE ANYWHERE ELSE IN THE PACIFIC AND WOULD BE DIFFICULT TO REPLACE. THESE RANGES/FACILITIES ALSO OFFER OPPORTUNITIES TO IMPROVE INTEROPERABILITY WITH OUR ALLIES. LOGISTICALLY, SUBIC BAY GIVES US A LARGE PROTECTED HARBOR WITH WELL DEVELOPED SHIP REPAIR, SUPPLY, AND STORAGE FACILITIES. WHILE CLARK AIR FORCE BASE HAS THE RUNWAYS, STORAGE, AND MATERIAL HANDLING CAPABILITY NECESSARY TO HANDLE SUPPLY THROUGHPUT FOR INDIAN OCEAN OPERATIONS. THERE IS NO

SINGLE LOCATION OR COMBINATION OF LOCATIONS THAT CAN REPLACE WHAT WE NOW HAVE IN THE PHILIPPINES IN TERMS OF COST, STRATEGIC POSITIONING, AND OPERATIONAL EFFICIENCY.

I AM CAUTIOUSLY OPTIMISTIC THAT THE GOVERNMENT OF THE PHILIPPINES AND THE U.S. WILL SEE IT IN THEIR MUTUAL BEST INTERESTS FOR U.S. MILITARY PRESENCE TO CONTINUE IN THE PHILIPPINES BEYOND 1991. I RECOGNIZE THAT WE WILL FACE SIGNIFICANT HURDLES WITH THE PHILIPPINES ON ISSUES SUCH AS ASSISTANCE LEVELS, CRIMINAL JURISDICTION, SECURITY OF OUR PEOPLE, AND UNHAMPERED MILITARY OPERATIONS; NEVERTHELESS, I BELIEVE THE NEGOTIATIONS STAND A GOOD CHANCE OF SUCCESS BECAUSE OF THE MUTUAL BENEFIT OF THE RP/U.S. RELATIONSHIP TO BOTH COUNTRIES. THE ECONOMIC BENEFITS FOR THE PHILIPPINES AND THE STRATEGIC BENEFITS FOR THE U.S. MAKE THIS A WIN/WIN RELATIONSHIP FOR BOTH NATIONS. AS PARTNERS IN FORWARD POSITIONING OF U.S. FORCES, WE SHARE WITH THE PHILIPPINES A MAJOR ROLE IN PROMOTING REGIONAL BALANCE AND MUTUAL SECURITY THAT IS IMPORTANT TO ASIA AS A WHOLE.

THE DECEMBER 1989 COUP ATTEMPT TEMPORARILY DIVERTED THE AQUINO GOVERNMENT'S FOCUS FROM THE RENEGOTIATION TALKS, BUT WE ALREADY SEE EVIDENCE THAT THEY ARE PREPARING TO ENTER NEGOTIATIONS. TO ENSURE THAT OUR RESOLVE IN THE BASING RIGHTS NEGOTIATIONS IS CLEAR, WE HAVE ALMOST ZEROED OUT OUR MILITARY CONSTRUCTION PROGRAM IN THE PHILIPPINES FOR FISCAL YEAR 1991.

IN THE EVENT OF FAILURE TO REACH AGREEMENT FOR CONTINUING ACCESS TO THE PHILIPPINE BASES, WE DO HAVE RELOCATION ALTERNATIVES. CLEARLY WE PREFER NOT TO MOVE: RELOCATION WOULD BE

MORE EXPENSIVE, DISRUPTIVE TO U.S. COMMAND AND CONTROL, TAKE YEARS TO COMPLETE, AND WOULD NOT PROVIDE THE SAME GEOSTRATEGIC ADVANTAGES WE NOW ENJOY. CHANGES IN OUR PRESENCE COULD RAISE QUESTIONS AMONG OUR FRIENDS IN THE AREA CONCERNING OUR INTENTIONS AND STAYING POWER, AND COULD PROVIDE A VACUUM INTO WHICH OTHERS MIGHT TRY TO MOVE. BUT WHETHER WE RELOCATE FROM THE PHILIPPINES OR NOT, PROTECTION OF OUR INTERESTS IN THE REGION AND FULFILLMENT OF OUR OBLIGATIONS TO OUR FRIENDS AND ALLIES SHOULD REMAIN UNCHANGED.

CONCLUSION

OUR NATION'S STRATEGY OF FORWARD DEPLOYED FORCES, BILATERAL ALLIANCES, AND MILITARY-TO-MILITARY CONTACTS HAS WORKED FOR MANY YEARS IN THE PACIFIC. OUR SECURITY POSTURE TODAY IS IN GOOD SHAPE. WE HAVE HIGH QUALITY, WELL TRAINED, WELL EQUIPPED MEN AND WOMEN IN OUR ARMED FORCES, AND STRONG RELATIONSHIPS WITH OUR FRIENDS AND ALLIES.

ECONOMIC, POLITICAL, AND MILITARY TRENDS ALL SHOW THAT A STABLE AND SECURE ASIA AND THE PACIFIC WILL BE CENTRAL TO AMERICA'S FUTURE. THE U.S. PACIFIC COMMAND IS AN ECONOMY OF FORCE THEATER, WITH FORCES WELL POSITIONED AND CONFIGURED TO MAINTAIN REGIONAL BALANCE AND STABILITY. WE ACHIEVE TREMENDOUS BENEFITS SHARED WITH OUR ALLIES AND FRIENDS FROM ACCESS AND INFLUENCE FOR RELATIVELY LITTLE COST.

OUR SUPPORT AND OPERATING BASE COMPLEXES THROUGHOUT THE THEATER ARE KEY ELEMENTS IN OUR POSTURE. FACING THE REALITY OF A

REDUCED U.S. DEFENSE BUDGET, WE ARE MAKING EVERY EFFORT TO KEEP THE PRICE OF FREEDOM AS LOW AS POSSIBLE. THE COST TO THE U.S. OF MILITARY CONSTRUCTION AT MANY OF OUR BASE COMPLEXES IS ALREADY REDUCED IN PART BY ALLIED BURDEN SHARING, WE ARE ASKING OUR FRIENDS TO DO EVEN MORE, AND I BELIEVE THEY WILL DO MORE. WE ARE BEING MOST CAREFUL TO REQUEST YOUR SUPPORT FOR THOSE PROJECTS THROUGHOUT THE COMMAND THAT CONTRIBUTE MOST TO NATIONAL SECURITY.

WE RECOGNIZE THE CHANGES IN THE WORLD, AND WE HAVE TAKEN THE INITIATIVE TO CHANGE OUR FOCUS FOR TOMORROW IN A WAY THAT WILL CONTINUE TO SUPPORT OUR NATION'S FUNDAMENTAL INTERESTS IN THE PACIFIC: PEACE, PROSPERITY, ECONOMIC SECURITY, DEMOCRACY, AND SUPPORT FOR HUMAN RIGHTS. BUT PERCEPTIONS ARE CRITICAL: WE MUST ENSURE THAT WE MAKE NO ADJUSTMENTS IN OUR POSTURE THAT WOULD WEAKEN THE CONFIDENCE OF OUR FRIENDS IN THE AREA AND DRAW INTO QUESTION OUR RESOLVE TO REMAIN A POWER IN ASIA. STABILITY IS FUNDAMENTAL TO OUR ACHIEVEMENT OF OUR GOALS, AND IN THE PACIFIC MORE THAN IN ANY OTHER REGION SECURITY RELATIONSHIPS ARE A FOUNDATION FOR OUR POLITICAL AND ECONOMIC INFLUENCE.

FINALLY, I MUST COMPLIMENT THE FINEST FORCE OF ALL VOLUNTEER SOLDIERS, SAILORS, AIRMEN, AND MARINES THAT I HAVE SEEN IN MY 38 YEARS OF MILITARY SERVICE. THE MEN AND WOMEN OF THE U.S. PACIFIC COMMAND ARE MAINTAINING IMPRESSIVELY HIGH LEVELS OF READINESS, DEDICATION, AND SKILL. I AM PROUD OF THEM AND BELIEVE WE OWE THEM OUR FULL SUPPORT, ESPECIALLY IN THE PAY INCENTIVES AND QUALITY OF LIFE PROGRAMS THAT ARE SO NECESSARY TO RETAIN OUR MOST VALUABLE RESOURCE -- OUR PEOPLE.

THE ADMINISTRATION, THE CONGRESS, AND THE AMERICAN PEOPLE CAN BE PROUD OF THE ACCOMPLISHMENTS OF THE MEN AND WOMEN WHO SERVE IN THE U.S. PACIFIC COMMAND. I AM CONVINCED THAT WE NEED TO CONTINUE OUR FORWARD BASING AND MUST STRENGTHEN OUR BILATERAL RELATIONSHIPS THROUGHOUT THE REGION TO ENSURE THAT THE RESOURCES AND MARKETS CRITICAL TO OUR ECONOMIC GROWTH REMAIN AVAILABLE, AND SO THAT WE CAN MAINTAIN OUR POLITICAL AND SECURITY LEADERSHIP ROLES IN ASIA AND THE PACIFIC INTO THE TWENTY-FIRST CENTURY.

HONDURAS

Mr. ALEXANDER. I am advised that a request which I have had for a number of years pending with the Department of Defense is being visited today with the submission of some leases, copies of leases on bases in Honduras; is that correct? Do you have those?

I appreciate that very much. Since about 1983, when we began our build up of Honduras, I have been trying to discover our legal relationship with the money that we are spending in Honduras. It has been about six or seven years now. We appreciate very much your response to our request.

We have not always had immediate response from the Defense Department in our committee. We appreciate finally having that information.

Having visited Honduras many times, I recall once in 1980, prior to the previous Administration, listening to the debates in Spanish on the radio about the elections that were forthcoming that year. You might want to include Honduras in your reference to democratic regime.

Mr. ROWEN. It is one of them.

Mr. ALEXANDER. I have a number of questions concerning our bases and plans in Central America. They are specific, and so I don't know any reason why I shouldn't just submit it to you for reply. But in general, if you will refer to the record, you will find that I have long supported U.S. military presence in Central America, subject, of course, to their laws. The Honduran Constitution prohibits foreign troops, foreign troop presence on their soil unless there is specific approval by their Congress. Of course, their Congress has not approved our presence there. Given the leases and also given the tenuous legal relationship of those leases to the Honduran Constitution, that is to say that the legal relationship is made by an agreement between our former ambassador and their former foreign minister, which is not in compliance with the Honduran Constitution, how do you see our long-range basing relationship in Honduras?

Mr. ROWEN. I can't speak to the legal aspects. You know more about that than I do. I can speak to the substantive role of our forces there.

I think we are seeing the payoff in the region, including in Honduras, taking place now.

Mr. ALEXANDER. I understand about the politics. Of course all of that is debatable. I am primarily concerned about our stewardship of the U.S. investment of dollars on those bases down there.

Mr. ROWEN. On that score, I will have to submit something for the record.

Mr. ALEXANDER. Could I get an opinion from your general counsel on that subject?

Mr. ROWEN. Yes.

Mr. ALEXANDER. Thank you very much.

[The information follows:]

LEGAL BASIS FOR U.S. MILITARY PRESENCE IN HONDURAS

The United States has no military bases in Honduras, nor are U.S. forces permanently assigned there. U.S. military activities in Honduras are conducted pursuant

to a bilateral 1954 military assistance agreement providing for U.S. training and assistance to Honduran military forces. A 1982 annex and technical agreement to the 1954 agreement provided for U.S. funded program to improve existing facilities and equipment at the Honduran airfields of Palmerola, Goloson, and La Mesa, as well as any other agreed airfields. Aircraft operated by or for the U.S. government were given authorized use of these airfields in accordance with already established procedures for flights of military aircraft.

In 1985, a protocol to the 1954 agreement provided a concurrent jurisdiction regime for those Department of Defense personnel on temporary duty in Honduras pursuant to the 1954 agreement and the 1982 annex. This conforms to our normal arrangements to provide legal protection for Department of Defense personnel serving in Allied and friendly countries. An agreement on airfield maintenance and repair in implementation of the 1982 annex was also concluded in 1985. All of these agreements may be terminated by either party on one year's notice, which is also the case in similar agreements with many other Allied countries.

We consider these agreements to have full legal effect under Honduran law. The U.S. has received assurances from the Honduran government that constitutional procedures necessary to bring each of these agreements into force were fully complied with. Moreover, the Honduran obligations under these agreements, once brought into force, constitute international obligations to the United States which cannot be altered by internal Honduran law.

In 1988, a second protocol to the 1954 agreement was signed with Honduras, to regularize the procedures and clarify the authority for the conduct of joint U.S.-Honduran military exercises in Honduras. This protocol was transmitted last year to the Honduran Congress for approval, and entered into force on May 23, 1989. It also may be terminated by either party on one year's notice. A third protocol to the 1954 agreement, concerning the construction of new or improvement of existing Honduran military installations and sites, has been negotiated but not signed or ratified.

PHILIPPINES NEGOTIATIONS

Mr. HEFNER. Admiral, good to see you again. I apologize for being late.

I want to ask one question before I yield to the gentleman from Oklahoma. We talked yesterday about Korea and some of the demonstrations from the students, the demonstrations in general in Korea. And the statement was made, I forget who made it, that it was a small minority of students in Korea that was involved.

In the Philippines, to me, I am a bit confused because I don't know all the politics, very little of the politics in the Philippines with Mrs. Aquino. It seems to me that they are playing a real dangerous game posturing with us about the bases in the Philippines. It seems to me we have been pretty generous to the people in the Philippines. Is there a growing resentment against the United States in the Philippines?

Would somebody categorize that as just a minority of people that would be against any presence in the Philippines?

Admiral HARDISTY. There is a lot of political posturing, Mr. Chairman. Philippine polls, and these are authentic polls done by the University of the Philippines and other organizations, indicate that about 70 percent of all the people polled favor the retention of U.S. presence in the Philippines. In my view, Mrs. Aquino made a mistake in not seeing Secretary Cheney. We have talked about that posturing. We have talked with the Makati Business Association, the strongest businessmen in the Philippines. They recognize how vital U.S. presence is to the Philippines. They understand the benefits as well as economic, the military security and stability. I am optimistic that if we look at our fundamental reason for being there, we look at the strategic equation, we will prevail. I agree

with Secretary Cheney we don't want a gun to our head or to be held up. We didn't make the best effort, agreement of \$481 million by \$96 million. However, over the last five or six years there has been substantial extra aid to the Philippines above that of the President's best efforts pledge.

I think we have got to be innovative. I don't want to get ahead of our negotiation team or the negotiations, but I think there are ways we can come to agreement other than through tremendous compensation. ———.

All of the nations in Asia recognize how important it is for the United States to stay in the Philippines not only in Northeast Asia, but Southeast Asia.

We are the honest broker there. We have been there a long time. Because of our growing trade with Asia, and the Pacific nations, we need to stay in the Philippines. If we leave, there will be a vacuum and someone will fill it. ———. I think our allies will help us stay in the Philippines.

We don't want to be held up. You are absolutely right. They are posturing the wrong way. ———.

Mr. HEFNER. The problem I see, and we have heard this before, publicly they are saying they don't want us there. In private they are saying we sure want you to stay. This committee is going to look very closely at the commitment to the Philippines. As long as they are government, that is their position. We are not going to force them to take money. I think it puts us in a precarious position. But we can't buy the argument that behind closed doors Mrs. Aquino said you come in and force us to keep your bases, because we can't operate that way.

That is the reason I think she is playing a very dangerous game. She seems to be not making any friends with anybody. I am real concerned about that position because I don't like to operate when we are being told, well, you know, privately these folks want us to stay. The mood in our country is lukewarm at best for spending money in other countries, as you can understand with the tight budget deficits and what have you.

Mr. ALEXANDER. Admiral, what are the options that we have considered for basing in South Pacific. ———.

Admiral HARDISTY. ———.

Our report, the Philippine Alternative Basing Study, has been submitted to Congress. We are looking at going to other places. However at some of those places we are already drawing down. ———. If we vacate the area and operate out of these new locations we will need a significant O&M increase for the same tasks.

You can also reduce your commitments and just not be there. There are alternatives. I have said that at all my hearings. They are feasible, and they can be executed. I agree with you, Mr. Chairman. We can't be held up. Someone at a very high level has got to say we want you to stay.

Mr. HEFNER. My advice, for what it is worth, is that the view from this committee is serious, do not dismiss it lightly, that this is just a committee that is posturing. I would urge whoever is negotiating with Mrs. Aquino and the Philippine people that you are playing a very, very dangerous game in these times that we are in.

I would get my act together because this is something that is very serious. We don't have a lot of time to address it.

Mr. Edwards.

Mr. EDWARDS. First of all, I agree with what you have just said. I think that is true across the aisle. I think Mrs. Aquino perhaps has gone a step too far. This committee, I think, is not going to be very responsive to putting money into an area that we simply may be forced out of.

JAPAN AND KOREA

While we are talking about Asia, we see in Europe with the reunification of Germany, that all kinds of fears are aroused among the European allies about what new superpower in Germany might mean in Europe. If we talk about reducing the U.S. military presence in Asia, either by pulling back in the Philippines or by the reductions that Secretary Cheney announced in Japan, do any of the Asian countries express publicly or privately any concerns about the emergence of the Japanese as a major superpower in the area, including the military threat to them?

Mr. ROWEN. They did not—just to respond to our recent tour, Secretary Cheney's trip, they did not raise this with us. However, we know from other means, other discussions that there is a concern. All these people privately and publicly want us to remain there. In the case of the Koreans and the Japanese, they are willing to put up more money over time to help offset our costs. It is for a variety of reasons. One of those reasons, I believe, is concern that if the United States were to leave, as Admiral Hardisty said, they look around and they see, wait a minute, there is Japan, there is China. These countries, you know, will fill the vacuum. The concern is there.

There is no question about it.

NICARAGUA

Mr. EDWARDS. Let me change directions or change regions for a minute. Since your papers were written, it is true that you responded to Chamorro's victory in Nicaragua, which we are all very delighted about. But statements since that time, including reports that were in the Post this morning, indicate that Ortega is not going to easily give up his control of what is essentially an FSLN army, the Nicaraguan Army is very much under the control of the Sandinista Party. They were dropping hints, as you saw this morning, that maybe they can still run things from below without the title of president.

What do you see as the possibility of the Chamorro Government being able to take control of the Nicaraguan military? And if she is able to do that, if she is president but Ortega continues to control the military, what does that mean for the region? Did we win or did we not?

Mr. ROWEN. Obviously this is speculation. Nobody knows.

Mr. EDWARDS. Right.

Mr. ROWEN. If it turns out the way you describe with the Sandinistas' controlling the military, it will be an impossible situation for a democratic government.

A Leninist military political force in control of the military will be impossible, completely unstable. Exactly what then will happen, but I predict that it would not work. There has to be a transition from control of the military from the Sandinistas to the popular elected government.

Simply there will be a, I am not sure what, but there will be a lot of trouble. Exactly what form that will take, I don't know.

PHILIPPINES

Mr. EDWARDS. I have just got one more question. It is a totally different area. You are talking about if we have to move out of Clark and Subic and we have to make a lot of changes there, it is going to be very heavily expensive in terms of milcon. There is no question about that. Just a philosophical question—well, maybe not philosophical. One of the things that has been pointed out to me by friendly critics of the military, especially of the Navy, has been the argument that since World War II we have increased the number—I am sorry—we have reduced the number of ships, we have greatly increased the number of personnel, including Admirals and, as well as enlisted men at a time when our ships are less labor intensive. Is there a way to drawdown the number of troops required to maintain the military presence that you are talking about so that we don't have the tremendous milcon expenses as well as other expenses?

Admiral HARDISTY. Tom Clancy's theory.

Mr. EDWARDS. Tom Clancy's has been endorsed by a lot of other people.

Admiral HARDISTY. I talked to Tom about that. He said you could deal with 30 percent less people on the ships, etc.

Mr. HEFNER. The Admiral just volunteered yesterday or the day before to cut his staff 30 percent. He is already on board.

Admiral HARDISTY. The ships are highly technical today. We stand watch 24 hours around the clock but don't have as many able seamen. Electronic warfare and weapons systems management are sophisticated and require highly skilled people. We really are about where we should be in ship manning. However, in staffs and other areas we can cut, and we will. We are going to tighten our belts.

Mr. HEFNER. We have to maintain a good force at Crystal City, too, Mickey, you understand? Someone asked me yesterday if Crystal City was in the Pacific.

Mr. EDWARDS. We favor troop reductions except for North Carolina.

Mr. HEFNER. We don't have any. Our coast is not defended. Mr. Kolbe.

FORCE REDUCTIONS

Mr. KOLBE. Thank you, Mr. Chairman.

Admiral, Mr. Secretary, welcome to the committee. Following up on what Mr. Edwards was talking about. I agree with him. My days in the Navy are long past. Going back and visiting ships and comparing, for example, the engineering spaces on board, a frigate that I was on board recently with the destroyer I was stationed on in the 1960's, it is quite a different manning operation. I am not

sure I agree entirely with Clancy's theory, but it does seem we have loaded up on our support staffs in all the services, but certainly in the Navy. I wonder if the Crystal City operations are the places we should be looking for reductions so we can maintain the current number of ships.

Admiral HARDISTY. We have got to do that. We are talking about the 10 to 12 percent, which Secretary Cheney had mentioned. I am looking at as much as a 30 percent reduction on my staff over the next couple of years. So is the Pacific Air Forces commander.

He has already got that going. We are heading in that direction. We have got to keep the quality in our forces and keep our combat effectiveness up.

Mr. KOLBE. That should be a message for the rest of the commands. I commend you. We will be watching with interest your progress and your ability to do that and still meet your mission.

PHILIPPINES BASING

Admiral, I was recently at CINCPAC. You were out of the state or out of the country at the time. I was able to meet with Admiral Pendley and General McPeak to look at the Philippine base issue.

Are you just saying you are optimistic because we have to be optimistic? In other words, we have to find a solution to this problem. I agree with you. The polls show in the Philippines that there is wide support for the bases. I agree with you our ASEAN friends tell us we must stay in the Philippines. Certainly, all the arguments I got at CINCPAC and with the Air Force were very strongly stating that we must have those bases.

They are of vital importance to us. But, I know the trend in that direction. In fact, what I saw in the Philippines was clearly the two sides diverging rather than converging as we are getting closer to these negotiations.

The two sides are moving further apart. Our failure to come up with \$481 million of aid, whether or not that is just a final excuse, because one can point to the increases in other areas of aid that they received. This was used as kind of the final straw for them to basically, say, "we are not in a position to start negotiations."

I am not sure how we are going to get there to the position that you say we need to have, something that doesn't rely on a lot more dollars. I can tell you the mood here in Congress certainly isn't for more dollars. I conveyed that to Secretary Ramos and President Aquino when I was there.

I think they understand that. But, there are a lot of politicians out there that are not publicly going to be able to take any other position.

Would either of you like to comment on that, on my comment?

Mr. ROWEN. It isn't going to be easy. I think we can all agree with that. I think part of what has been going on is the recognition, probably growing recognition on the part of people in the Philippines establishment that they are not going to get as much out of this financially as many of them might have hoped.

I think that is percolating through as a message, not to everybody probably, but I think it is getting there.

It probably also means that we are not going to end up with the kind of access arrangement that we have had in the past. We have to look at the various functions and see which ones we care most about, which ones we can find substitutes for and negotiate on that basis.

So it won't be anything like the kind of financial support previously available from the American side that many Filipinos hoped.

I think in the end we won't have as much access. I don't feel too pessimistic about the prospect of an agreement being arrived at that would meet our essential needs and also get enough for the Filipinos. However, I say that not with enormous confidence.

Mr. KOLBE. I certainly hope you are correct.

The trip was certainly enlightening for me if for no other reason than I came back with a different feel from our people of what was important about these bases. I had always gone under the impression that it was the strategic nature of them that was the most important. What I got from both Navy and Air Force people is it is really the training that is being done that is absolutely vital.

Admiral HARDISTY. That cannot be replaced.

Mr. KOLBE. And it can't be replicated anyplace else. If we do not have a presence in the Philippines, or if we do not have the kind of presence with the gunnery range at Subic and the amphibious training facility there or the gunnery range north of Clark, Crow Valley, what are we going to do?

Admiral HARDISTY. ———. We wouldn't have a base there to support our presence. It would be like another deployment. We would fly our planes in there and train.

Elsewhere, you come all the way back to Hawaii or to Alaska for those kinds of training facilities. We are working ranges in Alaska and some other things. It is a tough issue, sir.

Mr. KOLBE. Is Australia not possible?

Admiral HARDISTY. It is.

Mr. KOLBE. There is certainly a lot of open land there.

Admiral HARDISTY. They are building two other air bases in North Australia. That is feasible. But if you look at the geography, it is a way out of the way.

Mr. KOLBE. It is hard to get your tactical air——

Admiral HARDISTY. It is not a place where you need the access and influence because they are already a good friend and a good ally.

Mr. KOLBE. In terms of training, that might be one possibility.

Admiral HARDISTY. Yes, sir, that would be a possibility. We have looked at that. In fact, the Pacific Air Forces, is going down to the new air base there. We exercised with Australia recently and used those three bare bases for the first time. We had both PACAF and the Navy there. That is very feasible.

We will exercise with the Australians there on a continuing basis.

Mr. KOLBE. One of the things I heard at Clark was a growing concern from the embassy and our military people of security for our military and their families. Any thought been given to changing, if we are going to be in the Philippines in the immediate future, the kind of tour, to making it an unaccompanied tour? I

know that is a real hardship on families, but it might be best from a security standpoint.

Admiral HARDISTY. We have been looking at that. Access there might be more functional. The security issue is and remains my, number one concern. We have got to get the Philippine Government to take more responsibility for security. We continue to work on that. I worked with the Armed Forces of the Philippines. They have the responsibility at their bases. We occupy facilities at their bases. We have made good progress there. It is still not good enough.

I am convinced of that. I don't think the mood of the country will allow us to stay there.

Mr. KOLBE. I am, too. ———.

Admiral HARDISTY. That is a good question. Everybody thought during the last coup that the NPA would have postured themselves. They don't take advantage of the opportunity. It is surprising. Our intelligence estimates would acknowledge that as prime time. They haven't postured much since then. We have just had an American killed down south. I believe that was politically motivated more than the NPA.

Mr. KOLBE. These would be political killings too. It really is curious, as much as we try to harp on security with our people. ———.

Do you have a clue as to why they have decided not to do that yet?

Admiral HARDISTY. ———.

I can't put my finger on it.

PACIFIC BASIN REDUCTIONS

Mr. KOLBE. ———.

Secretary Rowen, I think Secretary Cheney suggested during his recent tour of the Pacific that we could look at a 10 percent cut in our presence in Japan. How firm do you think that number is?

Mr. ROWEN. It is really a 10 percent cut for the entire region. Admiral Hardisty and his people are working out the details of this. Broadly, it is 10 percent.

Mr. KOLBE. It could all come in Korea and none in Japan?

Mr. ROWEN. It is not likely to. I would be surprised if it came out that way.

Mr. KOLBE. The 10 percent is the region, it wasn't 10 percent out of Korea, 10 percent out of Japan?

Mr. ROWEN. The focus is on the region. Distribution is still open for further consideration.

Mr. KOLBE. Did you want to comment further on that?

Admiral HARDISTY. I prefer to go farther than Secretary Cheney's stated remarks. As Harry said, we will reduce 10 to 12 percent in the region. The numbers in Korea will depend on our transition to a more supportive role.

The three air bases we are going to vacate are Korean bases. That action will result in a drawdown of about 2000 Air Force from the Korean bases of Suwon, Taegu, and Kwang-Ju if the budget is passed as submitted.

With regard to the Army, we have looked at a restructure of our ground forces in Korea primarily in the combat support area. We

are attempting to not get at our combat capability with the Second Infantry Division. Such a restructuring is very feasible. It is reorganizing the 8th Army staff, U.S. Forces Korea, getting rid of a lot of overhead.

In regard to Japan, Okinawa and the Philippines, we have already made adjustments in the Philippines. We have drawdown 825 Air Force people at Clark.

For example, we moved the C-130's out last year. Those type of adjustments are in the budget as well, which will also have a couple more thousand Air Force people drawn down over the next few years at Clark.

The Japan figures have been quoted, roughly, as 5000 to 6000. I have 120,000 people forward deployed, including the Navy. Ten or twelve percent of those are about the right adjustment figures. It will be a combination of Korea, Japan, Okinawa and the Philippines.

SINGAPORE

Mr. KOLBE. A couple of days before I arrived in Singapore, we had just submitted our request to the Ministry of Defense for joint use of two Singaporean facilities. Can you tell me how the negotiations for the joint use of the air base and Naval base are going?

Admiral HARDISTY. The team passed through and I met with them a few days ago; that is the U.S. negotiating team. I talked with a Singaporean BG George Yeo who happened to be in Hawaii 23 February. The highest levels of the Singaporean Government want this effort to work out the details for our increased access.

We will have trouble with a Status of Forces agreement, some of those kinds of things. We are meeting. As Harry mentioned, the first meeting went pretty well.

Mr. ROWEN. In these sorts of negotiations always, the devil is in the details. These things always have to be thrashed out.

As Admiral Hardisty said, the determination at the top of the Singapore Government is quite strong. I am not sure that all of the people in the bureaucracy in Singapore have gotten the word yet.

Mr. KOLBE. I got that impression myself. Who is negotiating this? Who is the lead?

Admiral HARDISTY. It should be the Singaporean Defense Ministry. That is what we are trying to do. ———.

Mr. KOLBE. When I met with the Under Secretary for the Defense Ministry, basically his response was, "Well, this is a political decision. When the foreign ministry tells us what to sign, we will sign it. We will sign it, but it is their decision to make."

I got the impression he was taking the position, it is not my business to negotiate this thing. Just a piece of information for you.

GUAM

Finally, going back to the base issue again, I was very impressed with the amount of planning you have done for the contingency that we may not have a military presence, or as large a presence, with our bases in the Philippines. I was very surprised to learn about the rather dramatic shift in attitude in Guam and their desire not to have increased presence there.

Is there any possibility of negotiating any significant facilities there?

Admiral HARDISTY. I think there is. I was asked this question in hearings two or three weeks ago, and I was quoted a bit inaccurately in the press when I said the military is not welcome in Guam. I didn't mean that.

The question I was asked was, could Guam replace Subic? The answer is no way. Real estate-wise, capability-wise, labor force-wise, those kinds of things are unable to be replicated. Others have said, you know, we love the military, we welcome the military. But an influx into Guam of a large amount of military is not going to be welcome, quite frankly. There is only so much growth in the ship's repair facility there. We can, however, expand somewhat our operations at Andersen Air Force Base.

You have probably seen some comments, certainly from the Government of Guam. But looking at what is possible, with the B-52 Squadron moving out of Andersen and relocating the Navy up to Andersen so the Guam Government can take over Agana and expand the commercial airport facilities there, those are things that are feasible. Guam will either have to pay for it or through third country financing with the airlines.

Congress is not going to pay for it. Certainly this committee is not going to pay for any MilCon for that kind of a relocation in Guam. There are things we can do there. We can move some of our Pacific Air Forces to Andersen. We can modestly increase our capability at the ship's repair facility.

The skilled labor force is a key issue. Guam will not allow us to bring Filipinos in because that takes away Guamanian jobs. We have to bring in U.S. people. That drives the price of the shipyard up. It is not an easy thing, but it is part of our relocation plan.

It would be a reasonable increase in U.S. presence in Guam.

The Guamanians understand that. They don't want our Philippine facilities relocated to Guam. There is just not enough real estate, and so forth. Their tourism business is booming, as are Japanese investments.

We are welcome in Guam. Our relations with Guam are very good.

Mr. KOLBE. Mr. Chairman, thank you very much. I may have a couple of other questions. I will submit them for the record.

NICARAGUA

Mr. HEFNER. There is an interesting article in today's newspaper.

In the Washington Post a spokesman for the State Department is quoted as saying that a significant U.S. strategy was to enlist the Soviets and Europeans to press for elections in Nicaragua.

Do you know anything about that? Have we enlisted the Soviets to put pressure on the Europeans? In some instances the Europeans were opposed to our involvement with the contras.

Mr. ROWEN. I wasn't personally involved. Secretary Baker in several meetings in front of Mr. Shevardnadze pressed the issue of Soviet support for Nicaragua as not being compatible with the relations between the United States and the Soviet Union.

Mr. HEFNER. When was this?

Mr. ROWEN. This was at least last September. It was at a meeting in Wyoming and recently in Moscow.

I am not sure when that process began. There have been several meetings. The Soviets committed themselves some months ago to stop supplying lethal aid to Nicaragua.

It was not clear for some time whether they really stopped. In fact, for some time there has been a substantial flow of weapons from Cuba. That is the Soviet position.

On the question of support——

Mr. EDWARDS. You said for some time it was not clear whether they had done it or just passed through. Is it now clear? Do you have a judgment of whether they did stop?

Mr. ROWEN. Perhaps there is somebody here who knows?

Mr. NOVAK. It is still not obvious. There may be no direct arms flows.

Mr. ROWEN. The direct arms flow is clear. There is——

Mr. NOVAK. And also the dual-use equipment, the helicopters whether that is a violation of their agreement or not.

Mr. ROWEN. On the question of support for the electoral process, I am not familiar personally with what Secretary Baker said with Mr. Shevardnadze on that point. There has been a fair amount of European support for the Sandinista Government.

We have urged them not to do that or at least condition it on the electoral process. That has been a position of ours.

Perhaps that contributed to the process.

Mr. HEFNER. You think the Europeans said to the Nicaraguans, "Look, you need to participate"?

Mr. ROWEN. I read the same statement. I am not personally familiar with what sort of lobbying the State Department has been doing to the Europeans or what the Europeans might have said to the Sandinistas.

There has been a fair amount of support from Sweden and other European countries for the Sandinista Government. I am not surprised to see that story.

I don't have personal knowledge of that.

Mr. HEFNER. If you just look at it from a common sense approach, it seems to me that Castro would have to be the most nervous man on the face of the earth today because certainly he is not going to be able to get any more massive shipments from the Soviet Union for the same reason we are talking about money for the Philippines, because of their economy and events that are taking place.

How do you see the situation in Nicaragua? Now that the Nicaraguans are not going to be able to continue to supply the rebels in El Salvador, will the Government of El Salvador see this as a weakening of the rebels in El Salvador? Will they have a tendency to say, okay, we don't have to negotiate with these people? Could that prolong that war or do you see the leftist guerrillas in El Salvador seeing their situation as hopeless? Unless they get the arms from the Soviet Bloc, and there is no more Soviet Bloc for all intents and purposes, they are not going to be able to stay in there.

Mr. ROWEN. Part of what happens, of course, depends on the outcome the Nicaraguans touched on earlier. That is a little uncertain.

Mr. HEFNER. We will get back to Nicaragua.

Mr. ROWEN. The Sandinistas one way or another might continue to provide the flow of arms for a while to the FMLN in El Salvador. One shouldn't assume it will stop overnight. I wouldn't want to bet a lot on that.

The FMLN cannot be happy. I would guess it promotes the prospects for a negotiated settlement in El Salvador.

Mr. HEFNER. On the fact of it that is what you would think if you were thinking in rational terms. The issue is that we don't know what the Army is going to do in Nicaragua. We don't know how hardnosed Mr. Ortega is going to be. We don't know in Panama to some extent. These fellows were in the Army, and those were the best jobs they have ever had. They are going to be reluctant to go to the private sector with no jobs. But they have got to be looking at their source.

They don't have a source anymore.

Mr. ROWEN. No, they may.

Castro has not gone away. He may be nervous, but he has not gone away.

CUBA

Mr. HEFNER. It is a chain reaction. In my view, the Cubans may have some storehouse of arms. They don't have a source anymore. Certainly, if things remain as we hope they will, the Soviet Union is, because of their economy, they are going to be retracting. They are not going to have a source of these arms. It seems to me—

Mr. ROWEN. You are getting ahead of things. The Soviets signaled a reduced level of support for Cuba. They have not said, we are going to cut it off either in terms of weapons or economic systems. Cuba has a lot of it and is still getting more from the Soviet Union. It has sustained a flow of arms to the FMLN itself through Mexico, Guatemala as well. One possibility is that Castro will build up those alternative routes in order to sustain the FMLN.

NICARAGUA

Mr. HEFNER. I don't think I am getting ahead of myself. I am being optimistic, I know that. I realize that people have the tendency to not recognize change, and they must recognize that there is tremendous change taking place in Europe. To the Soviets the evidence is they can't do a very good job of feeding themselves. I attribute a lot of this change to television, seeing how the rest of the world lives, as well as the Russian experience in Afghanistan. It is just plain common sense for the Russians to realize that they can't sustain revolution or whatever you want to call it in Cuba.

It is a losing proposition for them. It seems to me that Mr. Ortega has a real problem in Nicaragua. He has got to come to some kind of accommodation. That brings us back to the people in the army. They don't have a real commitment to communism or to any kind of "ism." They have pretty good jobs, the best jobs they have ever had. Would you agree with that?

Mr. ROWEN. Absolutely.

Mr. HEFNER. They get paid, they get fed, and it is the best job they have ever had. The enlisted people are going to be coming

back and will have to scramble for jobs. There will have to be some kind of accommodation. The biggest problem is economic, trying to feed people. They may come to some build-down, but I think they still have to maintain some type of military.

Mr. ROWEN. The Nicaraguan forces, Sandinista forces are huge. It has to be scaled back. There will be a lot of people who will have to leave that military. I think you are right. A lot of them will be unhappy, with uncertain prospects, leaving good jobs and not knowing what they are going to do. Absolutely.

Mr. HEFNER. The same thing for the contras.

CUBA

Mr. ROWEN. Same thing.

With regard to Cuba, though, I would like to be optimistic, too, about what is going to happen. I think you are right. The Soviets are going to squeeze all forms of aid. In most of the Soviet case, it is military. It is a lot of criticism about it. It is being scaled out. It is probably going to be scaled back to Cuba as well. We don't have a reason to believe it is going to be cut off completely with regard to Cuba.

It is a precautionary point. It looks as though it might not happen, but it looks as though Soviet support for Castro will continue probably at a lower level. Castro faces a very difficult situation.

He has lost all of his supporters from Eastern Europe. His strategy in Central America is in shambles. His support from the Soviet Union is diminishing and his economy is a disaster. He faces a really tough situation.

Mr. HEFNER. Would this not be a good time for some overtures to the Cuban people?

Mr. ROWEN. That is a larger issue that I don't feel I could really deal with. I would comment that Mr. Castro is a very tough character, indeed. One should never underestimated him. He is one of the more impressive figures around just in terms of his tenacity and his ability to maintain control. Deal with him with great caution would be my advice.

KOREA

Mr. HEFNER. We talked about Korea. In Korea, we have been there for what, 40 years? We talked about it yesterday in the Defense Subcommittee. There are different kinds of conflicts. We have in the last 40 years probably been the referee between Korea and Japan and looked out for their safety and protected them. They have been able to build up tremendous economies. Japan is probably the leading economic power in the world. Korea competes with us in automobiles and everything. I think Mr. Wilson made the point yesterday that their GNP is so far superior to the North Koreans, they have more people, more wealth. When are they going to be able to look out for themselves?

Admiral HARDISTY. We are heading that way, Mr. Chairman. Certainly, the Administration and Defense's position is that they should take more responsibility for their own security. They should accept more of a leading role and we should move to more of a sup-

porting role. Those consultations are ongoing. The North Korean threat is still there. We talked about warning time, as little as 12 to 24 hours. North Korea puts 25 percent of the GNP in defense. South Korea's GNP is much higher. GNP per capita figures can say many things. They look at the number of Koreans, what the average citizen makes, their standard of living, and what their defense budget is going to rock the boat. A 10 percent growth may well rock the boat. That is not to say they shouldn't move.

BURDENSARING

Mr. HEFNER. Admiral, at the risk of sounding like an adversary, I have been to Germany. We have talked to the people. You have got to be very careful because it is a political thing here in Germany.

We have got to pay them so much for exercises, because we messed up farms. When our people have been in Germany for a few months, they became natives. We talked about the Philippines, and the polls said the majority of the Philippines are happy we are there. If you put on the ballot this fall when I am running for office and Mickey Edwards is running for office, if you put on the ballot in North Carolina, I don't know about Oklahoma, but if you put on the ballot, "Do you think we have had long enough presence in Korea and should we begin to bring our troops home?", I would venture to say in my district, which is one of the most conservative in the United States, overwhelmingly people would vote to bring the troops home from Korea, Japan and Europe for that matter.

We know we have to have some responsibility. But we have to be able to go home from time to time and go to the Rotary Club and Senior Citizens Center and say it is time for more burdensharing. We can't pick up more than our share of burdensharing all over the world when they are buying Korean cars.

I mentioned yesterday that we have lost more jobs in the textile industry to that part of the world. How long are you going to be able to say, "we are moving in that direction, but now is not the time to rock the boat," or "it is very, very delicate negotiations." I have heard that in this committee ever since I have been on it, and since I have been Chairman of it, and since I've been on the Defense Appropriations Subcommittee. We hear that year after year. "It is delicate negotiations. If we make them mad, they won't let us defend them." Do you hear what I am saying?

Admiral HARDISTY. Yes, sir.

Mr. HEFNER. Burdensharing—we have been talking about it in this committee for years. It only became popular in the last Presidential election. Everybody was talking about it. Hey, burdensharing! All of a sudden we recognize that we need some more burdensharing.

Mr. EDWARDS. Would you yield?

Mr. HEFNER. Sure.

Mr. EDWARDS. Different parties, different states, but I think he is stating it very accurately. At the Commerce Department and the State Department we are very internationally inclined. We are intertwined with the rest of the world. That is true in the Commerce Department, it is true with the major corporations which

are involved in international trade. But the American people are both more isolationist than they have been, and more xenophobic than they have been. I could not get support, I know, in my district for continuing the high price of keeping U.S. troops abroad.

A friend of mine named George Walton, who is a member of the British Parliament, was meeting with constituents in a town meeting. He was going through the dialogue about how all these changes are taking place in the world and how all the tyrants are being wiped out of office now. Then he would say, as we all would, "But you know, nonetheless, we have to keep our guard up."

A little old lady in the audience got up and said, "Against what?" And he didn't have any answer.

While we can talk about the Soviet missiles, we can talk about the things in the Middle East, the problem there, I think the truth is that with that isolationist and xenophobic tendency coupled with a feeling that the threat has disappeared, it is going to be very, very hard to get support for any great expenditure to, "protect the Japanese, to protect the Germans or whatever." It is just a real sense of what is happening out there politically and that is going to have an impact on what we are free to do.

I don't know whether you are finding the same thing?

Mr. KOLBE. Yes, I find the same kind of thing at home. I am struck by the increasing isolationism of people. I despair at it, frankly. I compare it to the mood that existed in this country between the two world wars. We were involved in one war. Let us pull out now. Let us return to our basic responsibilities at home. Certainly the social problems that face us here at home may be in that sense comparable with people saying we don't have the resources to devote to anything else in the world nor do we have any reason to do so.

Let us devote our resources here at home. It is a different world than existed in the 1930's. I would find that view disturbing.

I think we have a responsibility as leaders in Congress to take a somewhat different position and to speak out for American national security interests. When you talk about the Philippines, or when you talk about—Asia, I think it is important to keep in mind that we are not just in Korea, and we are not just in Japan to defend the interests of the Japanese or the Koreans. American interests are also involved. Americans sometimes forget this wasn't true in the 1930's that we have 37 percent of our trade with the Pacific Rim countries. That is a staggering amount of trade.

Literally our lives depend on continuing that trade with those countries and maintaining the sea lanes, maintaining the openness of our markets there. To simply say that we are there because we are defending the Japanese is, I think, a misunderstanding.

Mr. HEFNER. Would the gentleman yield?

Mr. KOLBE. Certainly.

Mr. HEFNER. I didn't mean to give that impression. We talked about that extensively.

Mr. KOLBE. I wasn't suggesting you had.

Mr. EDWARDS. But it is a public perception.

Mr. HEFNER. There is one other area that we don't talk about. Before the Second World War, when you talked about anything

you bought in Japan, you said "I don't want that because that is made in Japan." It was junk, cheap stuff.

Mr. EDWARDS. You are old.

Mr. HEFNER. I am older than dirt. I remember these things.

Now the perception has changed and it is not unwarranted. In 1975 when I came to Congress and served on the Commerce Committee, the Japanese and everybody else that makes automobiles had less than 16 percent of the market of automobiles in the United States. Now they have 50 percent.

Those things have changed. I don't wish to rearm the Japanese or the Koreans. We don't want to rearm them and we have them out there, but things have changed.

They are big boys. We don't want to rearm them, but certainly they can pick up a share of the cost in the Persian Gulf.

These are areas I am talking about. You've got money now, fellows. With the money crunch, we have not had growth in this committee in quite some time. We have been stagnant. We have not been able to do the things we need for enlisted people who are living and working in World War II facilities. What I am saying is we have to have some hard-nose negotiations from the Administration, and quit pussy-footing around with these people for fear of hurting their feelings.

They don't bother about hurting our feelings, and we are paying more than our fair share.

I am going to continue to push that.

Mr. KOLBE. I think this discussion has been a useful discussion for our people who are supposed to be doing the talking. We have been doing most of it here and you have been listening.

Armiral HARDISTY. That is certainly all right.

Mr. KOLBE. Mr. Chairman, to conclude this discussion this morning, at least from my point of view, I just want to say again that I agree entirely with the fact that there is a change in public attitudes, and it is one that is for less U.S. involvement in these countries.

Second, that I think we need to think that through carefully in terms of our own national security requirement. Now more than ever, as freedom and democracy are breaking out throughout the world, it would seem tragic at this juncture for the United States, which has been the moral leader to bring democracy and freedom to so much of the world, to simply cut and run.

Now more than ever economic leadership is going to determine the future for this country. The United States presence in these areas is going to be very, very important. I think as Members of Congress, we have the responsibility to say that, to speak up on that. That is all I was suggesting. In fact, I agree entirely with you, that it is a shared responsibility.

Our allies need to do more in terms of sharing that responsibility. But also, we should be careful to tell our constituents that this is not the time for us to turn tail and leave these areas.

We need not give them that impression.

Mr. ROWEN. That is an excellent statement. It is just absolutely right on the essentials, I believe.

The Secretary's speech given last Friday in Tokyo made the policy address. I will see you get copies of this. It is very much in the spirit of the comments you just made.

Mr. KOLBE. Thank you.

BURDENSARING

Mr. HEFNER. I think our staying power is very good. But, we have a lot of constituents out there who have some staying power also. When you are a textile worker who lost his job, you have got to have your government standing up for you occasionally. I think we have had good staying power for the situation that is in the Philippines, and I think we have been more than fair in the Philippines.

We see it every day, the Japanese and the Koreans financing our debt, when interest rates go up in Europe, it affects our deficit.

I don't know if people think about that. If the Japanese decided to stay home and not finance our debt, we would be in terrible shape. You have got to share with the American people. If you want them to stay with you, let them know what is going on and let them know you are working occasionally on their behalf.

That is the way that I feel about it. I have an awful lot of people out there, both Republicans and Democrats, who feel the same way about it.

You are in deep trouble when you get people thinking and talking about isolationsim. You know what I am saying? It is very easy to do. I don't demagogue the issue. I talk about burdensharing, but I don't talk about cutting and running.

The Japanese spend 1 percent of their budget for defense. When our budget comes up, it is about 28 or 29 percent of our overall budget. We have got a deficit that is running the third highest item in the budget, this interest on our debt. The Japanese are financing it and getting the interest back to their people where they can subsidize industry, where they can subsidize their business people to cut our throat, cut our jobs. It is time to get tougher.

I don't call that cutting and running.

Mr. ROWEN. We are cutting back forces and they are increasing their payments. We are moving in the right direction.

Mr. HEFNER. I am just talking about how sometimes I would like for somebody to come before this committee and talk about how we are not just moving in the right direction, but that we are going to have tough negotiations. You can say that to us. I am not going to be talking to the Japanese. I was called by our embassy in Germany. They said "you are tearing up our farms and fields over here with tank exercises." I said "what do you mean our farms and fields? Are you Americans or are you Germans?" I feel very strongly that we have got to do more burdensharing. It is as simple as that. I want to build for quality of life. I want to build day care centers, I want to build housing for our people.

In order to do that, I think we have to have people who are going to negotiate a little harder than we have in the past.

Mr. ROWEN. Yes, sir.

Mr. HEFNER. Mr. DeLay.

Mr. DELAY. I have nothing.

I am sorry I am late, Mr. Chairman.

Mr. HEFNER. If there are no further questions—we are not jumping on you, Admiral. Just too many chances this week to talk with you.

Admiral HARDISTY. Thank you.

Mr. HEFNER. The committee stands adjourned.

[CLERK'S NOTE.—Questions for the record submitted by Chairman Hefner.]

PHILIPPINES

Question. Let me begin by asking you several questions about the Philippines in terms of timing. I understand that the current base rights agreement runs until September 1991 whereby the United States would have to vacate within one year after that time if the Philippine government requests termination of the agreement. How long would it take the U.S. to vacate the Philippines?

Answer. If absolutely necessary, we could vacate our facilities in one year.

Question. Is it true that the Philippines have a different interpretation of the current agreement in terms of when a notification to vacate would be in order—like this September rather than September of 1991.

Answer. The fixed term of the Military Bases Agreement, as amended, runs until September 16, 1991, at which time the agreement becomes of indefinite duration and subject to termination by either party upon one year's notice. The Philippine Government, citing language contained in the Philippine Constitution, has indicated that a new agreement, in the form of a treaty, must be in place by September 16, 1991 in order to allow a U.S. military presence beyond that date.

Question. How are you going to deal with that if we are requested to begin vacating sooner than required?

Answer. We are working to have an agreement in place by 16 September 1991 in order to preclude any controversy over the termination date of the MBA.

Question. Let me ask several questions about alternatives to maintaining bases in the Philippines. First, how much would it cost to replicate facilities at Subic Bay and Clark Air Force Base and how long would it take? Certainly it would take more than a year.

Answer. Studies have indicated that relocating from the Philippines would cost approximately \$3 billion dollars in one time costs. We would not attempt to replicate the facilities, however, but would most likely disperse their current functions to a variety of locations. Although we could withdraw from the Philippines in one year if necessary, it would take considerably longer—perhaps as long as 10 years, to build up relocation sites to match the existing facilities at Clark Air Base and Subic Bay Naval base.

Question. What countries are under consideration as alternative sites to the bases in the Philippines? Have negotiations been started with such countries?

Answer. A number of options exist. We most likely would not attempt to replicate the Clark and Subic Bay facilities elsewhere, but would disperse the functions currently performed at these facilities

to various sites. A combination of locations in the Western Pacific, East Asia, and the United States would probably be utilized, with U.S. territory or existing U.S. facilities providing the most feasible options. Nonetheless, we would not discount the possibility of new or expanded access arrangements with friends in the region as a means of complementing our presence there.

Question. We still have plenty of U.S. families and unaccompanied personnel living off base in the Philippines. This Committee, more than any other Committee in Congress, has worked in the past to fund barracks and housing in the Philippines for security and safety reasons. In view of strained relations with the Philippines government, what is being done to protect these families? Do you have a program to reduce the number of accompanied tours and bring home those who cannot be stationed on base? Can this be done without jeopardizing our mission in the Philippines?

Answer. The greatest threat to U.S. citizens in the Philippines is from the New People's Army (NPA) insurgents. Since the insurgents adopted the tactic of attacking U.S. interests several years ago, we have taken a number of steps to improve the security of the U.S. facilities and our personnel and dependents. Although many servicemen, DoD civilians and their dependents live off of facilities, extra precautions, including more frequent patrols by security forces, have been taken. We have not reduced the number of accompanied tours, but continue to monitor the security situation carefully and will take all steps necessary to protect our personnel.

Question. Secretary Baker and others emphatically stated that if the Filipinos "do not want" us at Subic Bay and Clark Air Base, then we will leave. I guess I have to ask the question as to what does "do not want" mean? For example, they may not want us unless we are willing to pay a heavy price tag. Is the main issue in the negotiations going to be the price?

Answer. Compensation is one of several important issues in the negotiations, but it is not clear that the Philippine Government views it as the most important. Sovereignty issues, or the extent of control the Philippines exercises over our military facilities, will also be important and challenging, as will be the issue of the duration of a new agreement.

Question. It is rumored that we could end with a short base rights agreement. Do you view a short term agreement with a heavy price tag as better than no base rights agreement?

Answer. We want to maintain our military presence in the Philippines for the foreseeable future. We will work to achieve the best possible agreement in terms of our mutual interests. We intend to be as flexible as possible in the negotiations, but there are limits to this flexibility. I would not want to speculate at this point on what type of agreement would be acceptable.

Question. Do you think that with the reduced threat from the Soviets, it might send a signal that the bases are not as important?

Answer. Some have indeed concluded from the apparent decline in the Soviet threat that the Philippine facilities are less important to our security interests. Our military presence in the Philippines, however, was never predicated solely on the Soviet threat and serves interests far beyond superpower diplomacy. The U.S. military presence has served as a stabilizing force in the region and

has allowed most nations to focus resources on economic development. Regardless of the U.S.-Soviet relationship, the need for the U.S. to play this balancing role will continue.

Question. With the Soviets reducing a significant number of forces in Cam Ranh Bay in Vietnam, how much does this reduce the need for Clark Air Base? Could Clark Air Base mission be replicated or scoped for basing in Korea or Japan?

Answer. Soviet force reductions at Cam Ranh Bay have a negligible effect on the role and missions of U.S. forces in the Philippines. The variety of functions performed at Clark Air Base, particularly training, could not be replicated in Korea or Japan.

Question. It was announced by the Philippines foreign secretary several years ago that any new base rights agreement for continued access to the two bases would depend on Washington's acceptance of banning nuclear weapons. Does that condition still apply in the current negotiations?

Answer. The issue of nuclear weapons was addressed to mutual satisfaction in the Memorandum of Agreement that concluded the 1988 review of the Military Bases Agreement.

KOREA

Question. Can you elaborate on any plans for reducing troop levels this year and future years in South Korea?

Answer. We are now preparing a report to the U.S. Congress which will outline plans for adjusting our force levels in the region over the next several years. This report is due on 1 April 1990. It will outline for you our plans for forward deploying forces in that part of the world in the 1990s.

Question. As we reduce troop levels in South Korea, where in the States would reinforcements be available for deployment in the event of an attack? Are you considering utilizing the 6th Infantry Division in Alaska—that is, the Light Infantry Division which is designed to defend Alaska?

Answer. It is impossible to fully respond to your question at this time. Changes are being made to U.S. forces both in Europe and the Pacific Rim. Until these settle out we cannot provide an authoritative answer.

Question. Are there other or better alternatives for deployment of reinforcements in Asia other than from Alaska?

Answer. Same as the previous answer.

Question. In the event of a troop withdrawal from South Korea, will the arms and equipment go with the U.S. forces or be left with South Koreans?

Answer. The disposition of U.S. military equipment in Korea is not an item of discussion at this time.

Question. For bases that may be closed in South Korea, will the United States seek reimbursement of the residual value of such bases?

Answer. We pay no rent for bases in South Korea. Any bases to be returned to the ROK will be left in "as is" condition.

Question. How much of a role do China and USSR play in influencing North Korean aggression? Has it become less?

Answer. The USSR and China have long indicated that they would not support a North Korean invasion of South Korea. Their positions would not necessarily forestall North Korean aggression, however. Soviet and Chinese officials say they have little influence over North Korea. Certainly, North Korea is fiercely independent and for 40 years has honed the "juche" ideology of self-reliance. Even when Soviet and Chinese relations with North Korea were at a peak, North Korea was not bound by their advice. North Korea carried out the Rangoon bombing in 1983 when it had very close relations with China, and it carried out the KA-858 bombing in 1987 when its relations with Moscow were very good (terrorist actions that embarrassed both of North Korea's allies). Soviet military sales and economic aid, and China's political and diplomatic support of North Korea guarantee these nations a hearing in Pyongyang. Both Moscow and Beijing do have substantial political capital in Pyongyang, but we are not sure if they are willing to use it.

Question. For the record, provide a summary that shows how much the U.S. is investing in terms of defense expenditure in Korea and Japan and how much Korea and Japan are contributing to defense?

Answer. In 1989 the U.S. spent \$2.4 billion to maintain a force of about 43,500 in the Republic of Korea. The ROK spent about \$297.5M out of their defense budget in 1989 in support of U.S. forces. In 1990 the projected cost of the U.S. for its forces in the ROK will remain at the \$2.4 billion level and \$313.0 million is planned for ROK support. In 1989, the U.S. spent \$4.56 billion on U.S. forces stationed in Japan. These forces have a regional security mission as compared to Korea, where U.S. forces are primarily focused on deterring North Korea aggression on the Korean peninsula. In 1990, the U.S. will again spend \$4.5 billion on U.S. forces in Japan but the Japanese contribution will increase by \$150 million to \$2.6 billion.

Question. Provide for the record a list of the projects in the budget for South Korea that augment facilities to be funded by the South Korean government.

Answer. There are no "jointly funded" ROK/US construction projects at this time. There are however ROK constructed projects where the U.S. provides items the ROKs will not provide (i.e. air-conditioning, fire proof doors, etc).

Question. The Department is requesting \$83 million for projects in South Korea. For the record, are any of the requested projects impacted by Secretary Cheney's announced reduction in forces in South Korea?

Answer. No. All construction is at locations where we fully expect to remain for the present.

Question. In Europe, base closures will not be announced until after the CFE agreement. However, in Japan and Korea, base closures are based on unilateral force structure reductions and not any agreement. Therefore, when will the Department announce additional base realignments and closures in Japan and Korea?

Answer. Base closures and base consolidations will be identified when discussions have been made on what units are to be withdrawn and when. It is estimated some of these decisions will be made in late CY 1990.

PLANS FOR U.S. SOUTHERN COMMAND

Question. What is the Department's immediate and long term plans for the headquarters of U.S. Southern Command?

Answer. This issue is presently under study. The Panama Canal Treaty Implementation Plan, briefed to the Congress last year, calls for the removal of U.S. forces from Panama by December 31, 1999 in accordance with the Panama Canal Treaties. The plan assumes that forces would be reduced as necessary in the interim to lessen the impact on mission accomplishment and the budget while maintaining our treaty commitments to the Panamanians. Although there is a need for a Southern Command to command and control U.S. forces in the region, there are advantages to accelerating the relocation of the Southern Command headquarters. These issues are currently being studied by the Southern Command, Joint Chiefs of Staff, and DOD. Honduras is not being considered as a possible site.

U.S. TROOPS IN PANAMA

Question. With the Panama Defense Forces dissolved, will the United States keep troops in Panama when the Treaty expires at the end of 1999?

Answer. All U.S. forces are scheduled to leave Panama by the end of 1999 in accordance with the terms of the Panama Canal Treaties. However, both the U.S. and Panama have a responsibility to guarantee the security and permanent neutrality of the Canal under the terms of the Neutrality Treaty.

NICARAGUAN ELECTIONS

Question. Do you foresee the election results in Nicaragua in any way causing reexamination of our role in Honduras?

Answer. We believe the U.S. should proceed slowly in the short term with respect to its role in the region. The situation in Nicaragua and in neighboring El Salvador is extremely fluid. Sandinista intentions are unclear, and we are unsure whether the military and security forces will be reduced in size or capability.

Our current level of military presence and exercise activity in Honduras should be maintained at this time. We must examine any changes in our policy in a regional context and with U.S. interests firmly in mind.

HONDURAN AIRFIELDS

Question. You are requesting \$12.6 million for airfield improvements at La Mesa Air Base which is for contingency operations in case of war in Central America. What type of guarantee do we have from the Hondurans that we will have a long term base rights to this facility?

Answer. (C) We do not have any base rights in Honduras. We have access to certain agreed facilities pursuant to the 1954 Bilateral Military Assistant Agreement and the 1982 Annex to that agreement, both of which are terminable on one year's notice.

C-130 RAMP

Question. You are requesting \$4.6 million for construction of a C-130 apron at Palmerola to sustain U.S. forces during exercises and contingency operations. What type of guarantee do we have from the Hondurans that we will have a long term base rights to this facility?

Answer. (C) We do not have any base rights in Honduras. We have access to certain agreed facilities pursuant to the 1954 Bilateral Military Assistance Agreement and the 1982 Annex to that agreement, both of which are terminable on one year's notice.

FOREIGN ASSISTANCE FOR HONDURAS

Question. How will foreign assistance reductions in Honduras affect our ability to station troops in Honduras?

Answer. We do not now foresee any difficulties in temporarily stationing U.S. troops in Honduras. Due to their own budget cut-backs, the Hondurans military may wish to reduce the scope of their involvement in the combined exercise program.

CIVIL AIRPORT AT PALMEROLA

Question. Is there any truth to the rumor that the Palmerola Air Base will be converted to a civilian airport?

Answer. It is just a rumor.

[CLERK'S NOTE.—End of questions submitted by Chairman Hefner.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Alexander.]

CLOSING OF HOWARD A.B.

Question. The U.S. has invested heavily in turning the air base at Palmerola into a 24-hour-a-day facility. Currently, at least, the U.S. has Howard Air Force Base in Panama, in which the U.S. has also heavily invested. Is this proposed work at LeMesa based on the assumption that Howard Air Force Base will become unable to the U.S. in this decade?

Answer. No.

HONDURAN CONSTITUTION

Question. The Honduran Constitution, as I understand it, prohibits permitting foreign troops to operate in or transit through Honduras unless the Honduran legislature formally gives its approval. Has the U.S. obtained the approval of the Honduran legislature, or is the U.S. continuing to rely on a 1980's amendment to an agreement which predates the current Honduran constitution?

Answer. (C) U.S. military activities in Honduras are conducted pursuant to the 1954 Bilateral Military Assistance Agreement, concerning use and improvement of aerial ports. In addition, there is a 1985 protocol to the 1954 agreement on criminal jurisdiction over U.S. personnel on temporary duty in Honduras, and a 1985 agreement on airfield repair and maintenance. Both of these latter agreements have been ratified by the Honduran legislature and are

in force. A second protocol to the 1954 agreement, on the conduct of military exercises that formally authorizes and clarifies U.S. exercise activities in Honduras was signed in November, 1988, but has not been ratified by the Honduran legislature.

LA MESA AIRFIELD

Question. La Mesa is a mixed-use field, part civilian and part military. Will the civilian operations involve the use of any of the facilities built with U.S. funds?

Answer. Yes. The facilities to be improved or expanded are integral parts of the field, impossible to segregate out for one exclusive user. The increased fuel storage capacity will contain fuel provided by the Hondurans and used and replenished by them on a regular basis in order to insure its freshness. This fuel will be available to the U.S. as needed during exercises or other contingencies.

Question. What U.S. funding, when and how much, has the U.S. already invested in improving La Mesa Air Field? Please answer for the record.

Answer. In 1988 \$600,000 was spent on emergency runway repair. Congress was notified of this project on 31 May 1988.

AVAILABILITY OF FACILITIES IN PANAMA

Question. To what degree is the Department's estimate of the continued availability of U.S. military installations in Panama influencing the continuing requests for military construction projects to improve this Honduran Air Base?

Answer. The U.S. installations in Panama have played no role in our decision to improve either Palmerola (Soto Cano) or La Mesa. Because of the poor road network in Central America neither location could substitute for the other if an emergency situation developed and we had lost the use of the closer facility.

INSTALLATION REDUCTION IN PANAMA

Question. What is the Department's assessment of the date on which availability of the U.S. military installations in Panama will be substantially reduced?

Answer. The Treaty Implementation Plan (TIP), briefed to the Congress last year, does not specify dates, only the order in which units will be withdrawn from Panama. However, all U.S. forces must be out of Panama by the end of 1999.

[CLERK'S NOTE.—End of questions submitted by Mr. Alexander.]

[CLERK'S NOTE.—Questions for the record submitted by Mr. Kolbe.]

Question. The carrier USS MIDWAY is scheduled for mothballing in 1991. Secretary Cheney has announced USS INDEPENDENCE will take her place. My understanding is that the current memorandum of understanding between our countries specifically names the MIDWAY as the carrier to be stationed in Japan. Therefore, technically speaking, we didn't have to replace it with another carrier. Why was the decision made to place INDEPENDENCE there? What will replace INDEPENDENCE in San Diego?

Answer. The decision to replace USS MIDWAY with USS INDEPENDENCE resulted from operational considerations. Many fac-

tors were considered in the decision to retire USS MIDWAY in 1991 and in selecting USS INDEPENDENCE as USS MIDWAY'S replacement, including the recent completion of SLEP, and the fact that USS MIDWAY is nearing the end of her useful service life. It can be viewed as evidence of continued U.S. commitment to peace and security in the northwest pacific area.

Question. I'm particularly concerned about the Soviet presence in the Pacific. What do you see happening at Cam Ranh Bay?

Answer. In recent years, the Soviets have begun a drawdown of their ships and submarines permanently stationed at Cam Ranh. In the past few months the reduction has also, for the first time, included aircraft. This drawdown is not unanticipated, and the Soviet Foreign Ministry statement concerning the recent removal of aircraft from Cam Ranh is part of this. Since the mid-1980s, the original rationale for a Soviet military enclave at Cam Ranh has been undermined substantially. Political and economic factors are increasingly driving both Soviet and Vietnamese strategy in Southeast Asia, superseding or eroding the principally military premises that governed the establishment of the Soviet presence at Cam Ranh in 1980. As both Moscow and Hanoi moderate their policies and seek greater involvement in regional and global affairs, a high military profile at Cam Ranh becomes increasingly out of step with current world developments.

Question. I view the Soviets as more of a land power than a sea power, while the U.S. is predominantly a maritime power. Do you consider changes at Cam Ranh and the rest of the Pacific to be significant? Or are the Soviets simply making economically necessary cuts and they happen to be in Vietnam?

Answer. The Soviets are reducing at Cam Ranh both for budgetary reasons and to reduce tension with China. Other Soviet reductions in the Pacific have been balanced by increases in capability through modernization and equipment upgrades.

Question. When do you expect the new Soviet aircraft carriers to be fully operational? Do you foresee a Soviet carrier presence in the Western Pacific and Indian Oceans?

Answer. The Soviet carrier program moved ahead rapidly in 1989, as the Tbilisi began sea trials and conducted CTOL flight operations. The Tbilisi could become operational later this year and conduct its first operational deployment in 1991.

Construction on two other carriers continued as well—Tbilisi unit two, Rigi, and the first unit of a new class, Ul'Yanovsk. The Riga is expected to commence sea trials by 1992, while Ul'Yanovsk should do so by 1996. We are uncertain what design changes will be made between the Ul'Yanovsk and Tbilisi classes, but U.'Yanovsk will be larger than Tbilisi by about 10,000 tons.

We do not expect to see Soviet aircraft carrier presence in the Western Pacific and Indian Oceans.

Question. Have there been significant Soviet ground troop reductions in Asia?

Answer. Soviet Ground Forces have begun reducing troop strength in line with Gorbachev's announcement.

The Soviets have announced a reduction of 200,000 troops in the Eastern USSR. They have not indicated what percentage of the cut will be ground force troops.

Question. What do you predict will be the U.S. presence in the Pacific at the end of this century?

Answer. We are now preparing a report to the U.S. Congress which will outline our plans for forward deploying forces in the region through the 1990s. This report is due on 1 April 1990.

[CLERK'S NOTE.—End of questions submitted by Mr. Kolbe.]

THURSDAY, MARCH 1, 1990.

DEPARTMENT OF THE ARMY

WITNESSES

SUSAN LIVINGSTONE, ASSISTANT SECRETARY OF THE ARMY FOR
INSTALLATIONS, LOGISTIC, AND ENVIRONMENT

MAJ. GEN. PETER J. OFFRINGA, ASSISTANT CHIEF OF ENGINEERS, DE-
PARTMENT OF THE ARMY

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. Today we will review the Fiscal Year 1991 Army request of \$779.9 million for military construction. We will begin with Mrs. Susan Livingstone, Assistant Secretary of the Army for Installations, Logistics and Environment. Following Mrs. Livingstone, we will hear from Major General Peter J. Offringa, Assistant Chief of Engineers.

Ms. Livingstone, your statement in its entirety will be part of the record, and you can proceed any way you see fit.

[The information follows:]

Headquarters, Department of the Army



Biography United States Army

Office, Chief of Public Affairs
Washington, D.C. 20310

HONORABLE SUSAN LIVINGSTONE
Assistant Secretary of the Army
(Installations, Logistics and Environment)

Susan Livingstone was appointed to the position of Assistant Secretary of the Army for Installations, Logistics and Environment on November 20, 1989. In her current position, she is the principal advisor and assistant to the Secretary of the Army for Department of the Army policy and activities in the areas of installations, logistics and environment. She also oversees the commercial activities program throughout the Department of the Army and the Chemical Demilitarization program for the Department of Defense.

In addition to these responsibilities, Mrs. Livingstone exercises oversight of the Civilian Marksmanship Program, Kwajalein Missile Range matters and military support activities related to civilian law enforcement, domestic terrorism, drug interdiction, disaster relief, and civil disturbances. Mrs. Livingstone also serves as the interface between the District of Columbia National Guard, the Department of the Army, and the District of Columbia Government.

Mrs. Livingstone joined the Veterans Administration in November 1981 as Executive Assistant to the Associate Deputy Administrator for Logistics. On February 22, 1985, she was appointed Associate Deputy Administrator for Logistics of the Veterans Administration. On December 16, 1985, Mrs. Livingstone was appointed Associate Deputy Administrator for Management and served in that position as well as that of Acting Associate Deputy Administrator for Logistics until April 27, 1986. She then resumed her duties as Associate Deputy Administrator for Logistics. She was responsible for policy-level management and oversight of the Agency's construction, procurement and supply, administrative support, environmental affairs, and small and disadvantaged business utilization programs.

Mrs. Livingstone joined the Executive Branch of the government in July 1981 as Deputy Director of Legislative Liaison for the Community Services Administration. Prior to that, she worked for over nine years in the legislative branch of the government, first as legislative and press assistant for Congressman Richard H. Ichord, and for six years as Administrative Assistant. Subsequently, she served as a consultant to Congressman Wendall Bailey. From February 1969 to September 1970, Mrs. Livingstone served as a research assistant to Senator Mark O. Hatfield.

Mrs. Livingstone has an A.B. degree from the College of William and Mary (1968), an M.A. degree in Political Science from the University of Montana (1972), and a Master of Arts in Law and Diplomacy (M.A.L.D.) from the Fletcher School of Law and Diplomacy, where she is currently a Ph.D. candidate.

Born in Missouri and raised in an Air Force family, Susan Livingstone is married to Neil C. Livingstone of Helena, Montana.

STATEMENT OF
MRS. SUSAN LIVINGSTONE
ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS, LOGISTICS AND ENVIRONMENT)
ARMY MILITARY CONSTRUCTION PROGRAM
FY 91

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM PLEASED TO APPEAR BEFORE YOU TODAY TO PRESENT TESTIMONY REGARDING THE DEPARTMENT OF THE ARMY'S FISCAL YEAR 1991 MILITARY CONSTRUCTION REQUEST. AS YOU KNOW, THIS IS MY FIRST OPPORTUNITY TO APPEAR BEFORE YOU TO DISCUSS ARMY FACILITIES. THE SUPPORT YOU HAVE GIVEN US IN THE PAST IS SINCERELY APPRECIATED AND I LOOK FORWARD TO CONTINUING THE EXCELLENT WORKING RELATIONSHIP THAT THE ARMY HAS WITH THIS COMMITTEE AS YOU REVIEW OUR MILITARY CONSTRUCTION PROGRAM FOR FISCAL YEAR 1991.

ENTERING THE 1990'S, THIS NATION IS CONFRONTED BY A WORLD UNDERGOING DRAMATIC AND, IN MANY RESPECTS, UNPRECEDENTED CHANGE. AS ABRAHAM LINCOLN ONCE SAID, "(A)S OUR CASE IS NEW, SO WE MUST THINK ANEW AND ACT ANEW." NEVERTHELESS, LINCOLN ALSO RECOGNIZED THE NEED FOR PRUDENCE, ONCE ADVISING ONE OF HIS GENERALS TO "BEWARE OF RASHNESS," AND TO MAINTAIN "SLEEPLESS VIGILANCE." IN THIS SAME SPIRIT, THE ARMY IS CONFRONTED TODAY WITH BOTH THE TASK OF ADAPTING TO THE DYNAMICS OF CHANGE WHILE, AT THE SAME TIME, ENSURING THAT AMERICA'S FUNDAMENTAL SECURITY NEEDS ARE EVER MET.

THIS PROCESS OF ADAPTATION WILL AFFECT EVERY LEVEL AND EVERY CORNER OF THE ARMY. IT WILL AFFECT NOT ONLY THE CONFIGURATION AND DEPLOYMENT OF OUR FORCES HERE AND ABROAD, BUT ALSO WILL HAVE FUNDAMENTAL IMPACTS ON THE ARMY'S BASE STRUCTURE AND FACILITIES. IN THE FACILITIES PROGRAM AREA, OUR CHALLENGE AND RESPONSIBILITY IS TO ENSURE THAT WE KEEP PACE WITH THESE CHANGES. OUR GOAL HAS BEEN AND WILL REMAIN TO ENSURE THAT THE ARMY HAS THE INFRASTRUCTURE REQUIRED TO PERFORM ITS MISSION AND TO SUSTAIN THE QUALITY LIVING ENVIRONMENT DESERVED BY OUR SOLDIERS AND THEIR FAMILIES. BUT, ALSO INHERENT IN THIS GOAL IS THE REQUIREMENT TO EXERCISE SOUND JUDGMENT AS WE REVIEW FACILITY NEEDS IDENTIFIED PRIOR TO THE NEW FORCE STRUCTURE CHANGES NOW UNDERWAY.

EVEN AS THIS HEARING PROGRESSES, THE ARMY IS PERFORMING A COMPREHENSIVE REVIEW OF ALL CONSTRUCTION PROJECTS FOR ITS INSTALLATIONS TO DETERMINE IF THEY ARE AFFECTED BY THE PROPOSED BASE REALIGNMENTS AND CLOSURES AND FORCE STRUCTURE CHANGES. I WANT TO EMPHASIZE THAT THIS REVIEW INCLUDES ALL SOURCES FOR CONSTRUCTION ON ARMY INSTALLATIONS--DEFENSE AGENCY PROGRAMS, NONAPPROPRIATED FUNDS, NATIONAL GUARD AND RESERVE AS WELL AS ARMY MILITARY CONSTRUCTION. TODAY, THE ARMY SEEKS YOUR SUPPORT FOR PROJECTS WHICH MEET URGENT REQUIREMENTS. I MUST EMPHASIZE, HOWEVER, THAT THESE TOO ARE SUBJECT TO CONTINUAL REVIEW IN THIS DYNAMIC ENVIRONMENT.

THE ARMY FACILITIES STRATEGY WE PRESENT TO YOU PLACES A PRIORITY ON OPERATING, MAINTAINING, REVITALIZING AND EFFECTIVELY UTILIZING OUR EXISTING FACILITIES INVENTORY. OUR DECISION TO PROVIDE A NEW FACILITY IS MADE ONLY AFTER A DETAILED ANALYSIS DEMONSTRATES THAT THERE IS NO OTHER ECONOMICALLY ACCEPTABLE ALTERNATIVE. OPTIONS WE CONSIDER BEFORE WE ASK FOR CONSTRUCTION INCLUDE THE NATO INFRASTRUCTURE PROGRAM FOR EUROPE, HOST NATION SUPPORT PROGRAMS IN JAPAN AND KOREA, RENOVATION, AND, IN SOME CASES, PRIVATE SECTOR FINANCING. THE ARMY HAS, FOR EXAMPLE, INITIATED ITS FIRST REQUEST TO NATO FOR INFRASTRUCTURE FUNDING FOR CONSTRUCTION IN THE UNITED STATES. WE NEED YOUR CONTINUED SUPPORT FOR THESE INITIATIVES, AND AN UNDERSTANDING THAT THE ARMY OF TODAY AS WELL AS TOMORROW HAS CONSCIOUSLY CHOSEN TO EMPHASIZE CARE AND MAINTENANCE OF OUR EXISTING INVENTORY WHERE NEEDED AND WHERE IT IS MOST EFFECTIVE TO DO SO. AT THE SAME TIME, OUR COMPREHENSIVE PROJECT REVIEW WILL ALSO ENSURE THAT SCARCE RESOURCES WILL NOT BE DIRECTED TO OBSOLETE FACILITIES WHICH MAY NO LONGER BE REQUIRED. AS AN EXAMPLE, WE ARE REVIEWING WHAT FACILITIES SHOULD REMAIN FOR MOBILIZATION. IT IS OUR HOPE THAT A SUBSTANTIAL REDUCTION CAN BE MADE IN THE ARMY'S WORLD WAR II FACILITIES INVENTORY AS A RESULT OF THIS REVIEW. IN THIS PERIOD OF AUSTERE FUNDING, THE ARMY WILL ONLY RETAIN THE MINIMUM INVENTORY OF FACILITIES NEEDED TO SUPPORT MISSION REQUIREMENTS.

LET ME NOW TALK ABOUT THIS YEAR'S REQUEST. THE ARMY AGONIZED OVER HAVING TO DEFER MANY VALID CONSTRUCTION REQUIREMENTS TO FUTURE YEARS. NONETHELESS, WE DID SO TO ENSURE THAT NO "MISTAKES" WOULD BE MADE, AND THAT ONLY THOSE CONSTRUCTION NEEDS VALIDATED BY REVISED FORCE STRUCTURE LEVELS PROJECTED AT THE TIME OF BUDGET SUBMISSION WERE PUT FORWARD AT THIS TIME.

THE ARMY ALSO LIMITED THE AMOUNT OF OVERSEAS CONSTRUCTION IN THIS REQUEST. WE RECOGNIZE THE UNCERTAINTY IN WORLD CONDITIONS, BUT THE FACT REMAINS THAT THE ARMY OF THE 1990'S WILL CONTINUE TO HAVE FORWARD DEPLOYED FORCES, AND WE MUST PROVIDE FACILITIES FOR THEM. THE WARFIGHTING COMMANDERS-IN-CHIEF PARTICIPATED IN THE DEVELOPMENT OF THIS REQUEST, AND THEY SIGNIFICANTLY PARED DOWN THEIR REQUIREMENTS FROM PREVIOUSLY PROJECTED LEVELS. WHEN THE COMMANDERS-IN-CHIEF TESTIFY, I ASK THAT YOU KEEP THESE FACILITIES REQUIREMENTS IN MIND AS YOU REVIEW THEIR PLANS.

A SIGNIFICANT PORTION OF THIS REQUEST IS DEVOTED TO IMPROVING THE ARMY'S WORKING AND TRAINING ENVIRONMENT. AS THE ARMY FORCE STRUCTURE REDUCES, STATE-OF-THE-ART FACILITIES WILL PLAY A LARGE PART IN KEEPING OUR SOLDIERS READY TO FULFILL WORLD-WIDE COMMITMENTS.

THE ARMY ALSO CONTINUES, IN THIS REQUEST, QUALITY OF LIFE INITIATIVES FOR TROOP HOUSING AND COMMUNITY ACTIVITIES. THE LEVEL IS CONSTRAINED, HOWEVER, BY THE FORCE STRUCTURE UNCERTAINTIES AND THE AVAILABILITY OF TOTAL ARMY RESOURCES.

IN OUR FISCAL YEAR 1991 REQUEST, ARMY FAMILY HOUSING REMAINS ONE OF OUR TOP PRIORITIES. THIS REFLECTS OUR COMMITMENT TO PROVIDE SUITABLE HOUSING FOR OUR SOLDIERS AND TO PROPERLY MAINTAIN THAT HOUSING. I MUST TELL YOU, HOWEVER, THAT THIS REQUEST DOES NOT PROVIDE ADEQUATE RESOURCES TO COMPLETE IMPROVEMENT WORK TO EXISTING FAMILY HOUSING UNITS, NOR DOES IT PROVIDE THE MAINTENANCE FUNDS REQUIRED TO MEET OUR COST OF OWNERSHIP. BECAUSE OF THESE SHORTAGES, OUR DEFERRED MAINTENANCE AND REPAIR WILL CONTINUE TO RISE.

THIS IS A BRIEF OVERVIEW OF OUR CONCERNS ABOUT ARMY FACILITIES AND OUR FISCAL YEAR 1991 REQUEST. MAJOR GENERAL OFFRINGA, THE ASSISTANT CHIEF OF ENGINEERS, WILL FOLLOW ME WITH THE SPECIFICS OF THIS REQUEST.

WE LOOK FORWARD TO OUR WORK WITH YOU AS WE STRIVE TO PROVIDE OUR SOLDIERS AND THEIR FAMILIES THE BEST POSSIBLE FACILITIES IN THIS TIME OF UNCERTAINTY AND AUSTERITY. THE "WE" I REPRESENT IS MY STAFF, THE ARMY CORPS OF ENGINEERS, THE NATIONAL GUARD BUREAU, THE ARMY RESERVES, AND OUR NONAPPROPRIATED FUNDED CONSTRUCTION AGENCIES.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, WE REQUEST YOUR CONTINUED SUPPORT TO MEET THE ARMY'S CONSTRUCTION NEEDS IN THESE CHALLENGING TIMES.

STATEMENT OF THE HONORABLE SUSAN LIVINGSTONE

Ms. LIVINGSTONE. Thank you, Mr. Chairman. Before we get to the slide show, I would like to present just a brief introduction in summary of my opening statement.

I am, indeed, pleased to appear before the Subcommittee this morning to present testimony regarding the Department of the Army Fiscal 1991 Military Construction Program. As you know, this is my first opportunity to appear before you. I am honored to have this position and pleased to be here.

The support this Subcommittee has given to us in the past is very greatly appreciated by the Army. We do look forward to continuing that excellent working relationship that we have had with you.

Entering the 1990s—and there has been a great deal of discussion of this—the Nation is obviously confronted by a world that is undergoing very dramatic and, in some respects, very unprecedented changes. Our task in the Army is one of adapting to the dynamics of this change while, at the same time, making sure that we meet the fundamental security needs of America.

The process of adaptation will affect every corner and every level of the Army. It will affect not only the configuration of our Armed Forces here and abroad, but also will have fundamental impacts on the Army base structure and our facilities as well.

In the facilities program area our challenge and responsibility is to make sure we keep pace with these changes. Our goal has been and will remain to make sure the Army has the infrastructure required to perform its mission and the quality of the living environment deserved by our soldiers and their families; but also inherent in this goal is the requirement to exercise very sound judgment during this period of change as we review facility needs identified prior to the force structure changes we are undergoing now.

I do want to emphasize that even as this hearing progresses the Army is performing a comprehensive review of all construction projects and all appropriations for its installations to determine if they are affected by the proposed base realignments and closures, and/or the force structure changes we are looking to in the future.

Today we come before you to present projects for which we have urgent requirement, but I must emphasize that even these projects in this dynamic environment must undergo continual review as we look forward. Clearly if there are any changes we make them clear to you.

I believe General Galvin, in his testimony yesterday, indicated that a project at Camp May, in the 1991 budget, is no longer required; and we will keep you informed as additional changes are made to the 1991 budget.

The Army facilities strategy that we present to you today does place a priority on operating, maintaining, revitalizing, and effectively utilizing our existing facilities. Our decision to provide a new construction project was made only after very comprehensive review to determine the best option available to us, and also the most cost-effective option.

We believe this particular strategy, which emphasizes renovation and revitalization over new construction, is the most prudent course in this time of change, and that it provides the necessary

flexibility to best respond to this change. So this is a very strong emphasis in our 1991 budget program.

With respect to our 1991 request the Army did agonize over having to defer many valid construction requirements to future years. Nonetheless, again because of the environment, we did so to ensure that there were no mistakes that would be made and that only those construction needs validated by revised force structures were brought before you.

As additional changes become known to us, again we will keep you informed as we proceed.

The Army also limited the amount of overseas construction in this request. We recognize the uncertainty in world conditions, but the fact remains the Army of the 1990s will continue to have forward-deployed forces and we must provide facilities for them.

The CINCEUR participated in the development of this request, and has significantly pared down the requirements from previous project levels. As the Commanders in Chief testify, we ask you keep these facilities requirements in mind as you review their plans.

A significant portion of this request also is devoted to improving the Army working and training environment. As the Army force structure reduces, state-of-the-art facilities will play a large part in keeping our soldiers ready to fulfill worldwide commitments.

The Army also continues, in this request, quality of life issues of troop housing and community activities. The level is constrained, however, by Army Force structure uncertainties and availability of total Army resources.

In our Fiscal Year 1991 request, Army family housing remains a top priority. This reflects our commitment to provide suitable housing for our soldiers and to properly maintain that housing.

I must tell you, however, that the request does not provide adequate resources to complete improvement work to existing family housing units, nor does it provide the maintenance funds required to offset our deferred maintenance and repair backlog in the Army Family Housing Program.

This is a brief overview, sir, of our Fiscal 1991 request and our concerns about Army Facilities. Major General Offringa, the Assistant Chief of Engineers, will follow me with the specifics of this request and his famous slide show in just a moment.

However, in closing I did want to assure you that we are, and will continue to be, pro-actively involved in re-configuring the appropriate base structure both within the United States and abroad for the Army of the future.

In addition to our ongoing comprehensive review of construction in the pipeline, we also are taking a comprehensive look at our base structure from the perspective of future force structure options that are now under consideration in order that we may assist in the process of developing the best stationing plan possible from the facilities point of view. We will incorporate our analytical data into the decision-making process.

Our facilities-oriented review will assess installations from the perspective of age and condition of physical plant, plant replacement value, environmental restoration issues, the state of family housing and barracks, and the backlog of repair requirements and

new construction. Again, that will be incorporated into future base structure decisions as force structure options near and reach decision stages in the months ahead.

Mr. Chairman, we request your continued support to meet the Army construction needs in these challenging times. I appreciate the opportunity to be here this morning.

Thank you.

Mr. HEFNER. Thank you, Ms. Livingstone.

Major General Offringa.

MG OFFRINGA. Good morning, sir. It is a pleasure to be with you again. With your permission, I will put my statement in the record.

Mr. HEFNER. It will be inserted.

[The information follows:]

STATEMENT BY
MAJOR GENERAL PETER J. OFFRINGA
ASSISTANT CHIEF OF ENGINEERS
DEPARTMENT OF THE ARMY
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
SECOND SESSION, 101ST CONGRESS
FY 1991 MILITARY CONSTRUCTION, ARMY
1 MARCH 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS
SUBCOMMITTEE

STATEMENT OF MAJOR GENERAL OFFRINGA

Mr Chairman and Members of the Subcommittee. I am Major General Peter J. Offringa, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to return this year to present the Army's portion of the Military Construction Appropriation Request for fiscal year 1991. This program will provide adequate facilities for today's Army to carry out its worldwide defense mission. The program presented requests appropriation for Military Construction, Army of \$774,900,000 in fiscal year 1991, and for Army Family Housing, which will be discussed in a separate hearing, we request appropriation of \$1,554,450,000 in fiscal year 1991. A request for appropriation of \$5,100,000 for the Homeowners Assistance Program is also included.

This budget represents a substantial reduction from prior year requests due to the fiscal constraints that we are jointly experiencing and reflects the responsiveness to changing world and domestic conditions. However, it will sustain some of the efforts started in prior years to improve the operational readiness of the Army and protect some of the essential sustainability requirements. At the same time, this program will provide some of the quality of life improvements necessary to attract and retain dedicated individuals to service in the Army thus attempting to minimize the turbulence in recent force structure actions.

The fiscal year 1991 budget represents our efforts to develop a logical, executable program that will present a stable environment for more efficient operations. This year the Army's budget emphasizes maintaining the readiness of the existing force and ensure that the existing force's sustainability is protected while continuing to provide some modernization, investment and quality of life resources. We were guided by the need to maintain quality soldiers to fulfill the diverse world-wide commitments with a smaller Army worldwide and by the need to provide them with tough, realistic training and competent leaders to carry out the Army's mission.

Once again, the warfighting Commanders-in-Chief participated in the development of this program and the priorities to provide mission essential facilities through their major Army commands. We believe that their involvement has assisted in placing a proper priority mix to meet a minimum of the warfighting needs of Army's forward deployed units as well as the needs of those organizations in the United States. In addition, this budget has seven projects at three locations that basically provide basic support to reserve component training throughout the year.

Now with your permission, I would like to review our facilities strategy as it affects our adherence to the six fundamental imperatives that are essential to achieving the versatile, deployable and lethal force that is required of today's Army. Our mission is to meet the demands of providing quality soldiers with solid doctrine within the appropriate force mix. Moreover, we must provide tough realistic training with competent, confident leaders and continued modernization. Our budget supports our National objectives within the reduced resources available to insure we attract, train, equip and retain the best soldiers in this period of force structure changes.

FACILITIES ACQUISITION STRATEGY

The Military Construction, Army (MCA) program constitutes 1.0 percent of the total Army budget request in fiscal year 1991 while the Army Family Housing program represents 2.0 percent of the total Army budget. These funds finance a portion of the new construction and revitalization of the facilities our soldiers need to live, train and maintain sophisticated equipment. The housing funds also provide for the operation and maintenance of our family housing facilities. Our request provides a balance of facilities and family housing operation and maintenance needed to satisfy the many requirements of today's Army within the funding constraints.

As we analyze the facility requirements for weapon systems being fielded and force structure being stationed, all feasible alternatives are considered. As the Assistant Chief of Engineers, I am responsible for planning and programing for the facilities support including Military Construction, Army (MCA), Real Property Maintenance Activities (RPMA) and Family Housing (AFH) programs. We have developed a Facilities Strategy to guide us in the application of the funds available in these three accounts. The Army's strategy, in priority, is to maximize the use of existing facilities, to meet regulatory and environmental requirements, to maintain what we own and revitalize facilities at a prudent rate, contain maintenance and repair backlogs, and to build facilities for new mission requirements.

Prior to submitting this budget to you, we made adjustments within the Army to provide more funds to the RPMA program, which is authorized by another committee of this Congress. This is in keeping with our strategy to take care of what we have before building new. Our decision to provide a new facility is made only after a detailed analysis of the alternatives concludes that there is no other economically acceptable alternative. Thus, projects that are classified as facility upgrade or modernization do not have a lower priority, they merely present the optimum alternative as the facilities strategy is applied.

The many facility demands on the fiscal year 1991 budget are reflected in the 1991 MCA request with over sixty-five percent of the program supporting mission related projects, such as operation, training, maintenance and RDT&E facilities. Additionally, over fifteen percent will go to support facilities such as supply, unaccompanied housing and community facilities. The remaining balance will provide utilities, design, and minor construction. All of this construction is essential for the Army to successfully perform its mission and care of its people.

In the family housing area, our thrust is to operate and maintain what we own with over sixty-eight percent in fiscal year 1991 request going to pay operations, utilities and maintenance expenses. An additional twenty-eight percent in fiscal year 1991 will pay for the leasing of additional homes to provide adequate housing for our military families with a corresponding offset to the Military Personnel, Army (MPA) account. The remaining will be used to revitalize the current inventory through improvements, construct new homes, plan and design future projects, and make payments on the remaining Wherry housing debt.

Now, with your permission I will present the details of the fiscal year 1991 MCA program, highlight selected initiatives and show the balance to provide support for the total Army. First, let us look at the geographical distribution of the request.

GEOGRAPHICAL DISTRIBUTION HIGHLIGHTS

UNITED STATES

Our budget request inside the United States provides \$572,287,000 for fiscal year 1991 construction projects. This is approximately seventy-four percent of the request. The projects are located at installations in 23 states in fiscal year 1991. Projects totaling more than \$20 million in construction in fiscal year 1991 are located in each of the following states: Alabama, Colorado, Kansas, Kentucky, Maryland, North Carolina, Oklahoma, Pennsylvania, Texas and Wisconsin.

EUROPE

Our construction program for the United States Army, Europe (USAREUR) totals \$63,493,000 for fiscal year 1991. This program is an austere program especially when considered in light of the deplorable conditions in which many of our soldiers live and work. Although future stationing requirements are still being discussed, the fiscal year 1991 program represents the long term requirements for our soldiers that are stationed in Europe and focuses on those locations where the Army will continue to operate even if there are stationing changes. Approximately sixty percent of the request is at three communities which are essential to all conceivable future stationing plans -- Vilseck, Grafenwoehr and Hohenfels. The relocation of ground combat units to Vilseck is continued in the request for fiscal year 1991. Projects submitted are necessary to provide and improve the training at Grafenwoehr. Establishment of the Combat Maneuver Training Complex (CMTTC) at Hohenfels will allow USAREUR armor and mechanized infantry battalions to train in a realistic battlefield environment. The construction included in this request will provide the support facilities necessary to make Hohenfels a fully operational, realistic training facility for our forward deployed combat units in USAREUR. Training at Hohenfels will continue even with changes in future stationing in Europe.

The size of our program in Europe is small in relation to past year programs and is substantially reduced from original 1991 plans. This budget request of \$63,493,000 is over \$161,000,000 less than originally requested for fiscal year 1991. The requirements in this program represent the Army's response to major facility concerns of the Commander-in-Chief of U.S. Army, Europe and help sustain continuation of major U. S. initiatives in that theater. Marked improvements have been made, thanks to the support of Congress and the Administration. This program will provide facilities at those locations the Commander-in-Chief has indicated will be long term requirements. The budget represents a prudent balancing of requirements and support for our deployed soldiers as well as a responsible stewardship of our constrained resources in light of the changing political and economic environment in Europe.

Emphasis in the program is on operations, maintenance, supply and training, with 9 of the 18 projects in fiscal year 1991 in these categories. The program also supports utilities improvements, and quality of life, with 7 projects dedicated to community support type projects at long term communities. All of these facilities will substantially improve the conditions for our soldiers who have accepted rigorous assignments at these forward deployed locations.

These issues have the full support of the Commander-in-Chief (CINC), U.S. Forces, Europe. The fact that the fiscal year 1991 request for Europe represents eight percent of the Army request is a result of strong CINC involvement with the Military Construction program in Europe.

WESTERN PACIFIC

The Army continues to support its commitment in the Western Pacific with a \$41,940,000 fiscal year 1991 request in support of the Eighth U.S. Army in Korea and the U.S. Army, Japan. I must mention that the Pacific area, unlike other areas of the world, is not going through the great democratic changes we have seen over the past few months in Europe. Therefore, this program provides the facility support to the major initiatives of the Commander-in-Chief of U.S. Forces in Korea especially for our soldiers close to the Demilitarized Zone (DMZ). The budget also provides for essential ammunition storage and a flight simulator for new attack helicopters. These projects are not eligible for Host Nation Support since only warfighting projects are currently funded by the Korean Government. In Japan, we are requesting two projects, ammunition surveillance facility and ammunition storage, which do not qualify for Host Nation Support but are essential to correct the current safety violations in the facilities now in use. These projects will provide a safe working environment and reduce the possibility of a catastrophic accidental explosion.

Like the program in Europe, this Western Pacific program represents a substantial reduction from earlier plans. The current fiscal year 1991 budget for this area is over \$64,000,000 less than the original 1991 budget, a sixty-one percent reduction. This program is dedicated to the troops on the DMZ, to improve safety for our soldiers and to train on the modern sophisticated attack helicopters.

Now, let's examine this budget from the three primary perspectives of our soldiers; working, training and living conditions.

WORKING AND TRAINING CONDITIONS

A significant amount of resources is devoted to improving the working and training conditions and therefore the readiness of our soldiers. Over sixty-five percent of the program in fiscal year 1991 is devoted to improving working and training conditions. We are providing modern facilities for instructional, logistics and training support of Army operations. I believe that better facilities help recruit and retain the talented men and women needed to fulfill our world-wide commitments. Moreover, better facilities lead to better performance which in turn leads to a corresponding increase in military readiness and warfighting capability. A total of \$505,491,000 is included in the fiscal year 1991 request to ensure this support will be sustained.

The fiscal year 1991 request includes \$58,630,000 for Operational projects, \$120,561,000 for Training ranges and facilities, \$254,650,000 for Maintenance and Production, and \$71,650,000 for Research, Development Test and Evaluation.

The Army of the future will continue to provide sustained, land-based power to serve the National security interests of the United States. With the force structure changes it is imperative to

have competent, confident leaders who will train and lead our high-qualified, well equipped force. The process of growing leaders is a long-term, multi-faceted proposition that in itself starts with training. Two projects in the fiscal year 1991 budget supports this end. The General Instruction Building at Fort Leavenworth and the Center for Strategic Wargaming at Carlisle Barracks will provide essential training for the future leaders in our new Army.

LIVING CONDITIONS

Although the Army continues to support Quality of Life through a balanced program, troop housing and community facilities have been reduced from requests of previous fiscal years as funding is further constrained. The operational necessity of training and sustaining a ready Army and high priority defense initiatives have forced us to slow down on one of our most successful and visible programs. Troop housing and community support facilities total \$74,100,000, or ten percent, of the fiscal year 1991 budget.

In the Unaccompanied Housing category, the fiscal year 1991 request of \$19,690,000 contains only two major projects. The first is for our forward deployed troops in Korea and will provide 528 spaces of new construction. The second is the highest priority modernization project at Fort Hood for the modernization of 560 spaces. This project is required to provide adequate, livable unaccompanied housing for our soldiers at Fort Hood even if major restationing actions are undertaken at this location. Our housing program has been slowed due to the uncertainties for future stationing decisions not lack of need for additional or modernized unaccompanied housing facilities.

The Morale, Welfare and Recreation projects in the community facilities program exemplify the Army's commitment to fixing existing assets where it is cost effective and only construct where there is no other option. New construction will utilize standard designs to save construction costs. With your help, we will continue this program to strengthen our bonds to the soldiers and their families. Our request includes a mix of nineteen critically needed community facility projects totaling \$54,410,000 in fiscal year 1991 as indicated in the following display:

COMMUNITY FACILITY PROJECTS

	FY 1991
Child Development Centers	3
Chapel Center	1
Chapel & Religious Education	1
Education Center (Addition)	1
Army Continuing Education Center	1
Physical Fitness Training Center	3
Recreation Center	1
Library Addition	1
Multi-Purpose Auditorium Facility	1
Fire Station	4
Military Police Station Addition	1
Emergency Services Building	1

In addition to these projects, we have submitted four Child Development Centers for possible execution under the long-term facilities contract, Section 2809, authority. These projects at Fort Belvoir, Detroit Arsenal, Redstone Arsenal and Fort McPherson will provide our soldier will long term affordable support in this quality of life program.

This budget requests funding for two Chapel Centers to support service members and their families by providing a place for the free exercise of their religion in a pluralistic environment while separated from their home during service to the nation. Civilian churches in nearby communities are unable to fully meet the specific needs of military families (for example; physical accessibility or language at foreign locations) or the base commander's responsibilities to provide full religious support for all soldiers under his command. In fiscal year 1990 legislation, three projects which included both Religious Facilities and Child Development Centers (CDC) received authorization for only the CDC portion of the projects. Consequently, the accompanying authorization bill requests authority for the Religious Facilities portions of those three projects.

SPECIAL PROGRAM HIGHLIGHTS

REVITALIZATION OF ARMY FACILITIES

We are forging, within the very tight fiscal constraints, a revitalization strategy. This strategy involves defining the costs and benefits associated with various levels of revitalization investment in our current facilities. The current budget has a revitalization investment rate, in both Military Construction, Army (MCA) and Real Property Maintenance Activities (RPMA), of about 1 percent of the Army's Plant Replacement Value. An Office of the Secretary of Defense study indicated that Department of Defense facilities replenishment rates are one-third of the private sector and one-half of other public sectors. Our approach entails reducing the facilities base during this period of shrinking resources while striving to keep facilities funding at a level that fully funds a smaller annual recurring requirement. If we can accomplish this, through additional base realignments and closures, we will begin to contain the maintenance and repair backlogs as well as revitalize facilities we continue to own and operate. Other actions initiated to slowly reduce the backlog of maintenance include expanded self help, productivity programs, demolition of unneeded facilities as well as consolidating into the best facilities. We are continuing to develop these strategies within the Army to justify additional funding of a revitalization program to balance our essential new mission facilities requirements.

ARMY ENVIRONMENTAL PROGRAM

The fiscal year 1991 program includes two projects for water distribution and waste water pollution abatement totalling \$29,000,000. One project at Fort Ord will pay Army's portion for a long-term potable water supply system for this area. Funding for this project is necessary even with the potential stationing changes to continue our commitment to provide potable water for the area. The project at Fort Sill will expand and upgrade the waste water treatment facility to comply with current environmental standards. Many of the other fiscal year 1991 projects are indirectly related to environmental compliance mitigation. Projects such as hardstands and central wash racks are designed and engineered to ensure minimum environmental impact. The fiscal year 1991 budget continues the Army's emphasis on improving the environment and minimizing adverse impacts.

CHEMICAL DEMILITARIZATION

I am pleased to inform you of two major accomplishments that were achieved in fiscal year 1989. In July, the Army began construction of the Central Demilitarization Training Facility (CDTF) at Aberdeen Proving Ground, Maryland. All government and contractor personnel who will work in our disposal facilities will receive their initial and refresher training at the CDTF. Also, in fiscal year 1989, a contract was awarded for the construction of the first chemical disposal facility in the United States which is being built at Tooele Army Depot, Utah.

In your report last year, you instructed the Army to continue to develop the cryofracture technology prior to requesting construction funding for future chemical disposal facilities. A letter contract was awarded in January 1990 to General Atomics for the cryofracture effort. A final negotiated contract is scheduled for award in April.

In fiscal year 1991, we will construct a chemical disposal facility at Anniston Army Depot, Alabama, \$54,300,000, and upgrade roads and other facilities in support of that plant, \$10,200,000. We will also begin to upgrade roads, gas lines, and other facilities at Tooele Army Depot, \$11,800,000, in support of that chemical disposal facility. A new laundry facility will also be constructed as part of the support facilities to the demilitarization mission at Tooele Army Depot.

You may recall that in our fiscal years 1990/1991 Biennial Budget, we had included projects for chemical disposal facilities at Pine Bluff Arsenal, Arkansas and Umatilla Army Depot, Oregon. Due to fiscal constraints, construction of those facilities is no longer part of our fiscal year 1991 request, but will be included in our fiscal years 1992/1993 Biennial Budget submission which will make the 1997 completion date improbable.

CURRENCY REVALUATION IMPACTS

The continuing fluctuation of the dollar will have an impact on our construction program. Previous programs have been budgeted at rates as high as 2.99 DM per dollar. The contracts that have been awarded and obligated at the prior, higher rates are now actually being paid out at a much lower rate for work as it is being constructed -- recently as low as 1.70 DM per dollar. An analysis of the impact, at this rate, on the fiscal year 1990 and prior authorized programs indicates an anticipated loss in fiscal year 1990 for MCA and family housing of approximately \$101,000,000 and \$107,000,000, respectively. Part of this requirement will be met by the appropriations approved for fiscal year 1990, \$9,000,000, however, the remaining will have to come from deferral of projects, or savings in execution or future improvement in currency exchange rates.

In fiscal year 1987 a currency fluctuation account was established within the Department of Defense; however, there was no funding associated with this account and we initially capitalized this with the limited unobligated balances accrued in prior years. The fiscal year 1988, 1989 and 1990 appropriations to offset currency deficiencies provide partial relief, however, shortages continue. We will continue the practice of deferring the awards of some projects this year in order to ensure we have sufficient funds available to pay estimated currency bills. We utilized a similar strategy last year and, fortunately, did not have to cancel any approved projects due to currency losses. I am not optimistic that

we can completely avoid cancellation of projects or delay family housing maintenance work this year. I am bringing this to your attention as a problem that we again have to jointly face. This is a critical problem we have in awarding and constructing the program requested.

**MCA BUDGET REQUEST ANALYSIS
OVERVIEW
MILITARY CONSTRUCTION, ARMY**

The fiscal year 1991 MCA budget request includes a request for appropriation of \$774,900,000 along with a companion request for authorization of appropriation of the same amount, \$774,900,000. Table 1 (on the following page) shows the request by facility categories and the percentage of the total construction dollars by category.

**TABLE 1 - FISCAL YEAR 1991
MILITARY CONSTRUCTION, ARMY, PROGRAM
FACILITY CATEGORY SUMMARY**

<u>FACILITY CATEGORY</u>	<u>FY 1991</u>	
	<u>COST (\$000)</u>	<u>%</u>
Operations and Training	179,191	22
Maintenance and Production	254,650	34
Research, Development, Test and Evaluation	71,650	10
Supply & Administrative	46,130	6
Unaccompanied Housing	19,690	2
Community	54,410	7
Utilities & Real Estate	51,999	7
Design/Minor	97,180	12
Total	774,900	100

TABLE 2 shows the fiscal year 1991 distribution of the appropriation request among major commands in the United States and overseas. Construction projects in the United States account for \$572,287,000 in fiscal year 1991, seventy-four percent. Construction projects outside the United States is only fourteen percent in of the total request, \$105,433,000. This request also calls for planning and design, and unspecified minor construction of \$97,180,000 in fiscal year 1991 or twelve percent of the request.

**TABLE 2 - PROPOSED FISCAL YEAR 1991
MILITARY CONSTRUCTION, ARMY, PROGRAM
COMMAND SUMMARY**

<u>COMMAND</u>	<u>FY 1991</u>	
	<u>COST (\$000)</u>	<u>PERCENTAGE OF TOTAL</u>
INSIDE THE UNITED STATES		
Forces Command	226,677	31.8
Training and Doctrine Command	144,580	18.7
Army Materiel Command	144,650	18.7
Western Command	15,300	2.0
Information Systems Command	1,050	0.1
Army Health Services Command	530	0.0
Military District Washington	7,650	1.0
Access Roads/Other	11,850	1.5
Total	572,287	73.9

(TABLE 2 Continued)

OUTSIDE THE UNITED STATES		
US Army, Europe	63,493	8.2
Eighth US Army, Korea	31,490	4.1
US Army, Japan	10,450	1.3
Total	105,433	13.6
OTHER		
Planning and Design	89,577	11.5
Unspecified Minor Construction	7,603	1.0
Total	97,180	12.5
Total obligation authority requested:	774,900	100.0

REAL PROPERTY MAINTENANCE ACTIVITIES

I would like to talk about another important source of funding in support of the Army's facilities, the Real Property Maintenance Activities (RPMA). The appropriation for these activities is provided as a part of the Defense Appropriation Bill.

RPMA ACCOUNTS

RPMA is a major program with four major functional accounts-- Operation of Utilities, Maintenance and Repair of Real Property, Minor Construction, and Engineer Support. We record costs of the major RPMA accounts to subaccounts to reflect the total cost to operate and maintain the Army's Physical Plant. Following is a list of these major accounts and their functions:

Operation of Utilities -- "J" Account

The utilities account includes the procurement, production and distribution of all utilities, such as electrical energy, steam and hot water, fuels utilities, and water. This account also includes the operation of utilities systems and plants.

Maintenance and Repair of Real Property -- "K" Account

This account pays to maintain functional areas such as the utilities systems, the buildings, and the grounds. Moreover, it funds railroads and other surface areas. The performance of environmental compliance restoration is also funded from this account.

Minor Construction -- "L" Account

This account funds projects under \$200,000, such as, the erection, installation, assembly of a new real property facility. Additions, expansions, extensions, alterations, conversions, or replacement of an existing real property facility is also funded from the minor construction account. Additionally, the relocation of a real property facility from one installation to another would be paid for from this account.

Engineer Support -- "M" Account

The engineer support account funds services normally provided by municipal governments. Support services such as fire prevention and protection, refuse handling and disposal, and snow removal and ice alleviation are provided within this account. Other services provided include facilities engineering management, rental of real property and real estate administration, pest control services, master planning, environmental analysis and supervision of the Director of Engineering and Housing Staff.

SOURCES OF RPMA FUNDING

We fund RPMA from several appropriations and sources. The most common of these sources is the Operations and Maintenance, Army (OMA) appropriation. Funding is also received from: Research, Development, Test and Evaluation (RDTE); Army Industrial Fund (AIF); Family Housing, Army (AFH); Operation and Maintenance, Army National Guard (OMANG); Operation and Maintenance, Army Reserve (OMAR); Reimbursable Customers Tenants -- DoD and Other Services; Non-Appropriated Fund Activities; and Foreign Governments.

BACKLOG OF MAINTENANCE AND REPAIR

When we cannot fund the annual recurring maintenance and repair requirements (including one time projects), the result is a Backlog of Maintenance and Repair (BMAR). BMAR is defined as an aggregation of major maintenance and repair projects that were planned for accomplishment in previous fiscal years but were not accomplished due to lack of resources. At the end of each fiscal year, all of the unaccomplished projects become potential BMAR. The reporting activity then thoroughly reviews this potential BMAR before it is added to the previous listing of BMAR projects. These planned maintenance and repair (M&R) projects are reviewed to determine if the project can be rescheduled to subsequent fiscal years and included in those years' Annual Recurring Requirements or added to the BMAR list of deferred projects. BMAR projects are routinely revalidated at least once each three years and on occasions more often.

We can reduce BMAR in several ways. By funding and completing outstanding M&R projects, we remove them from the backlog list. The requirement is also removed by accomplishing a new construction project. Another way we reduce BMAR is by deactivating or demolishing the facility requiring M&R work or by closing all or part of the installation. However, BMAR cannot truly be reduced unless the Annual Recurring Requirements are fully funded and additional funds are available to apply against the backlog requirements.

BMAR is an indicator of the condition of our Real Property Assets. A high level of BMAR indicates a poor condition of facilities, and this will impact on the living and working condition of the soldier and his family. This, in turn, has a direct impact on force readiness.

RPMA IMPACT ON REVITALIZATION

Revitalization of the Army's physical plant is defined as the systematic replacement or renovation of the Army's real property facilities to current standards for mission accomplishment and physical condition. As I mentioned earlier, the funding sources for Army revitalization are primarily the OMA and Military Construction, Army (MILCON) appropriations. RDTE, AIF, NAF and private sector financed facilities (3rd party arrangements) also support revitalization of utility plants, the industrial base and other associated Army facilities. Revitalization funds basically come from either major maintenance and repair projects or "current mission" construction projects.

The major maintenance and repair projects provide revitalization through renovation of existing facilities while construction provides revitalization by building new facilities or complete modernization of current assets. Coupled with efficiency and productivity enhancements, innovative business practices, and some financial flexibility from the congress, additional funding could begin a slow but steady decrease in the backlog. Moreover, added funding would also support Army productivity, morale, recruitment, retention and ultimately, war fighting readiness. Last year additional funds were added to the RPMA program for environmental compliance and for reduction of the backlog. We appreciate the additional funds which will go a long way to attacking a problem that must be resolved in the near future.

SUMMARY

Mr Chairman, in summary, the fiscal year 1991 Army appropriation request is for \$774,900,000 in Military Construction, Army. This request will support the programs presented by Secretary of the Army and the Chief of Staff, Army, in support of Army, Defense and National initiatives. Our fiscal year 1991 budget emphasizes readiness, training and quality of life programs within fiscal realities. It will continue to send a message to our soldiers, no matter where they live or work, that their government cares. Approval of this request will continue the efforts of the Army to enlist and retain the quality soldier that is essential in this period of force structure changes and to maintain a worldwide operational readiness and fighting ability.

Army Facilities

Fiscal Year 1991

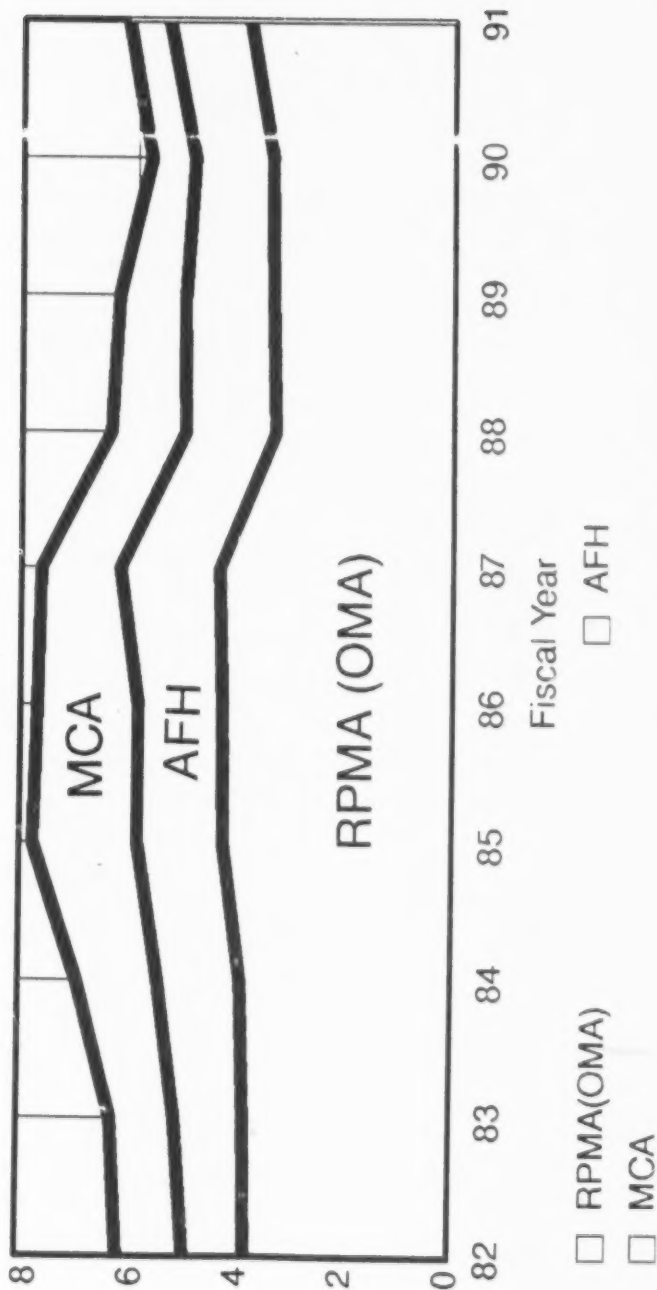
Facilities Strategy

- Maximize Use of Existing Facilities
- Meet Regulatory/Environmental Concerns
- Maintain What We Own
and Revitalize Facilities at a Prudent Rate
- Contain Maintenance and Repair Backlogs
- Build Facilities for New Mission Requirements

Total Facilities Trend

RPMA, AFH, MCA

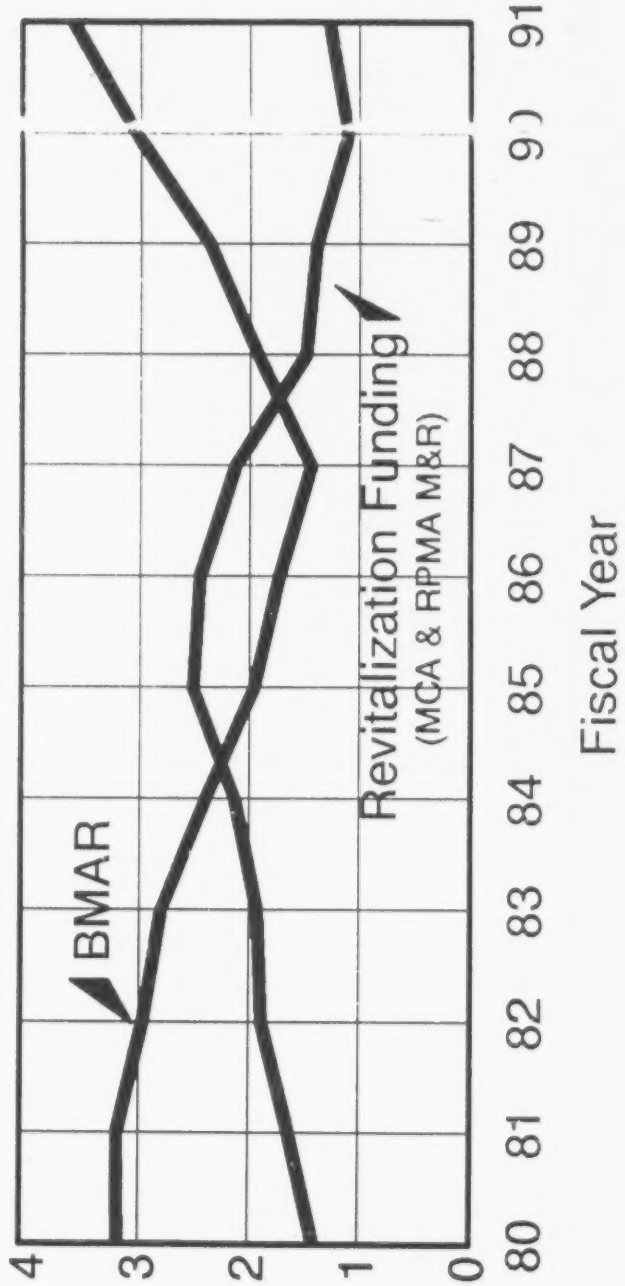
\$ Billions (FY90 \$; 2.03 DM/\$)



Facilities Revitalization

Can we meet the challenge again?

\$ Billions



Military Construction Summary

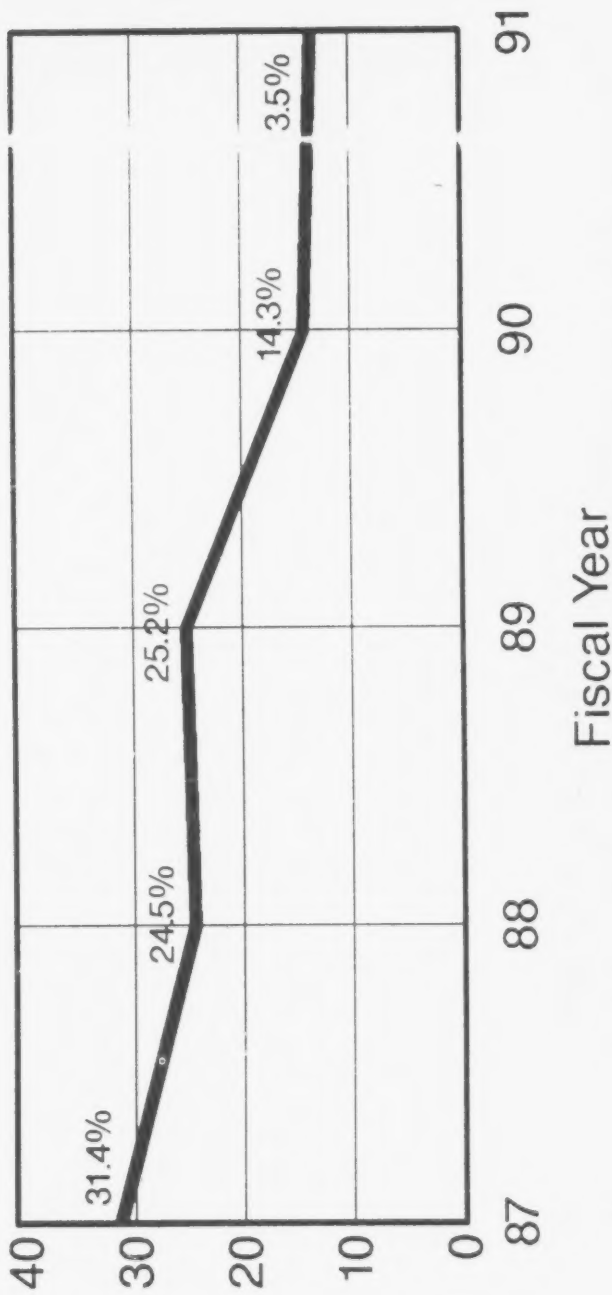
Appropriations

	(\$ Millions)				(Request)	
	FY88	FY89	FY90	FY91		
MCA	1,295	1,182	816		775	
AFH	1,607	1,587	1,454		1,554	
HOA	3	2	5		5	
	----	----	----		----	
	2,905	2,771	2,275			2,334

Overseas MCA Program

(Compared to Total MCA)

% of Total Funding



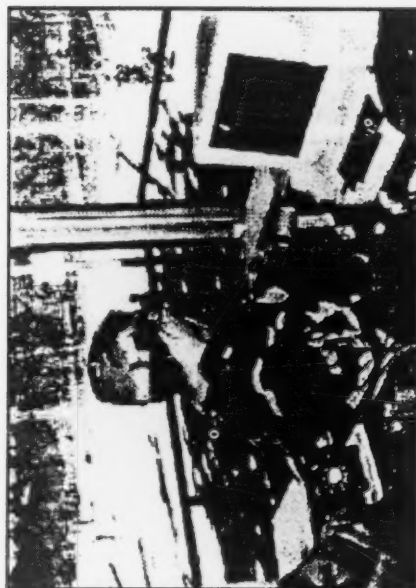
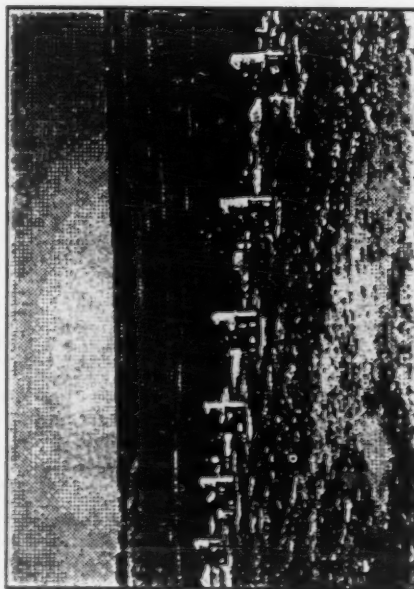
MCA Program

By Category of Facilities

(Category / % of Program)	Approved			Requested
	FY88	FY89	FY90	
Operations & Training	31	33	24	25
Maintenance	15	27	22	33
Unaccompanied Housing	12	5	7	3
Community	5	4	8	7
Supply & Administration	8	6	14	6
RDTE	4	3	6	9
Utilities & Real Estate	13	7	7	7
Design/Minor/Other	11	14	11	13

Modified Record Fire Range

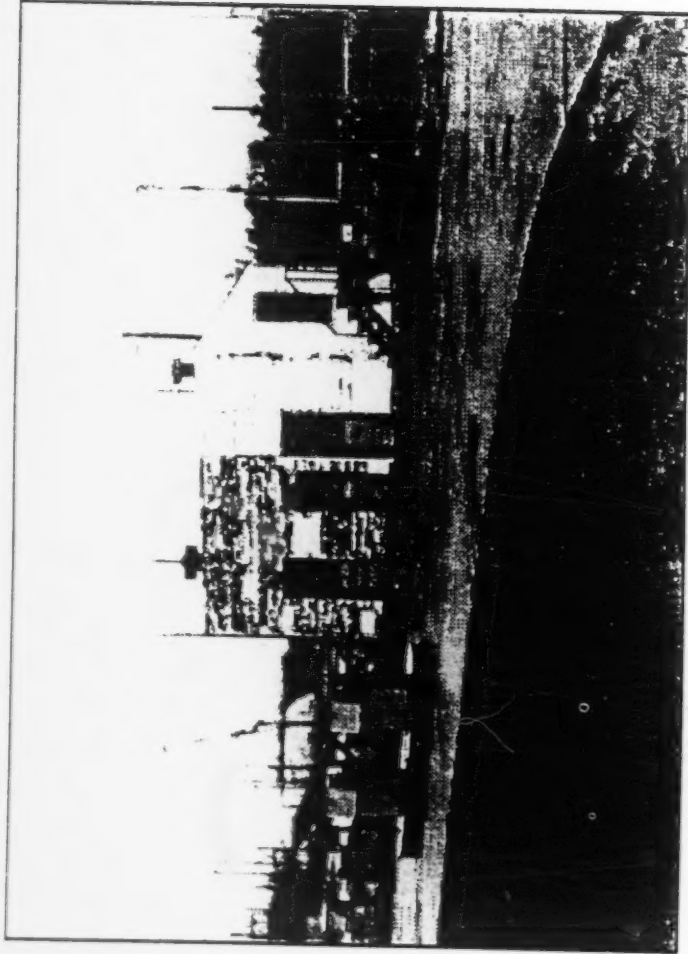
Current Facility at Fort Hood, TX



New Automated Facility
at Fort Jackson, SC

Central Fuel Storage Facility

Fort McCoy, WI

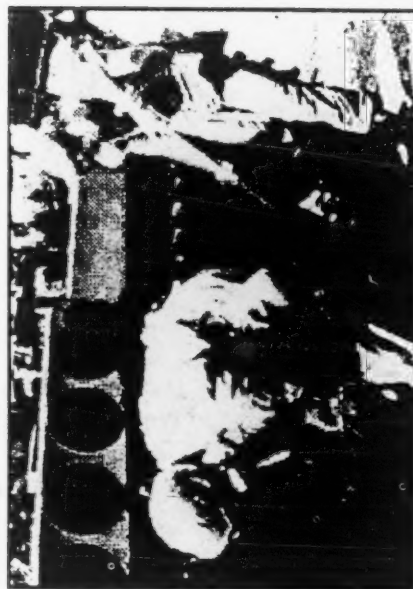
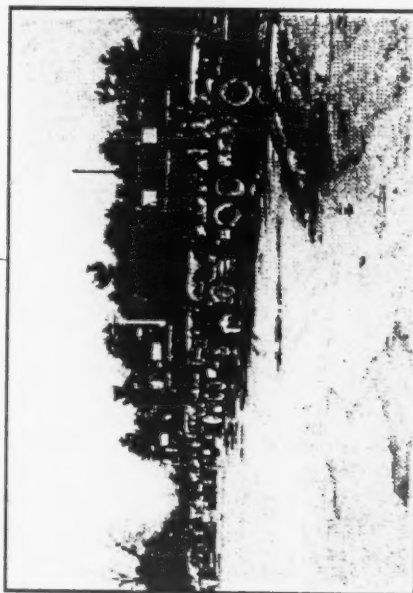


Current Facility

Central Wash Facility

Fort McCoy, WI

Long Lines

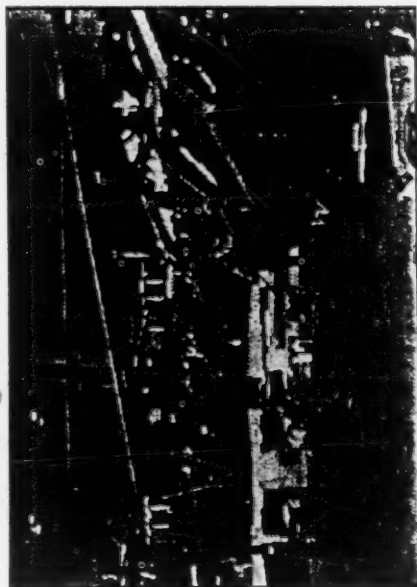


Inefficient Operations

Aviation Unit Maintenance Hangar

Fort Carson, CO

Inside Hangar

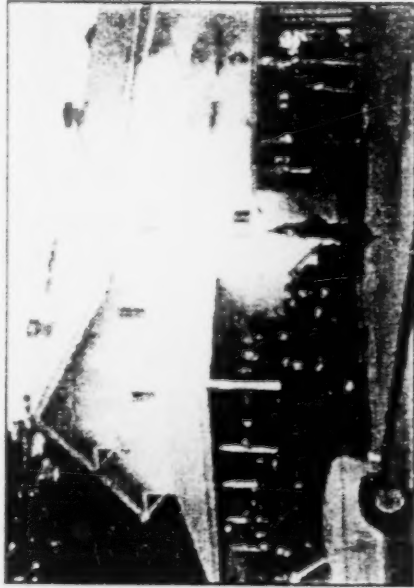


Parking Apron
Inadequate Facilities for
New 4-Blade Helicopters

Recreation Center

Fort Benning, GA

Exterior



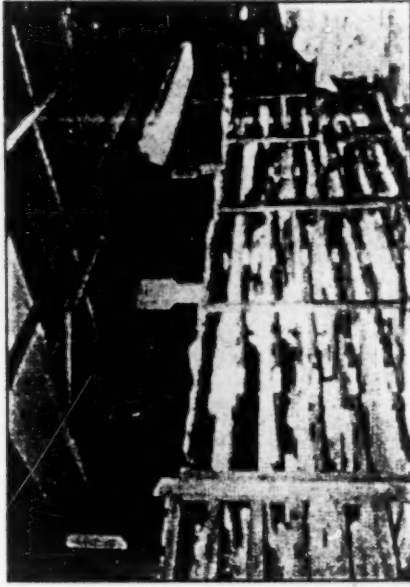
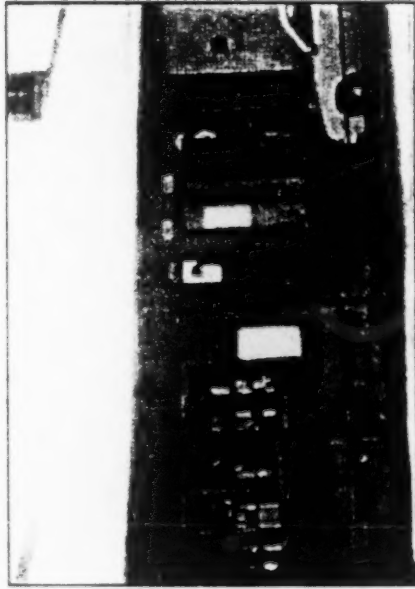
Interior



Installation Map Depot

Fort Bragg, NC

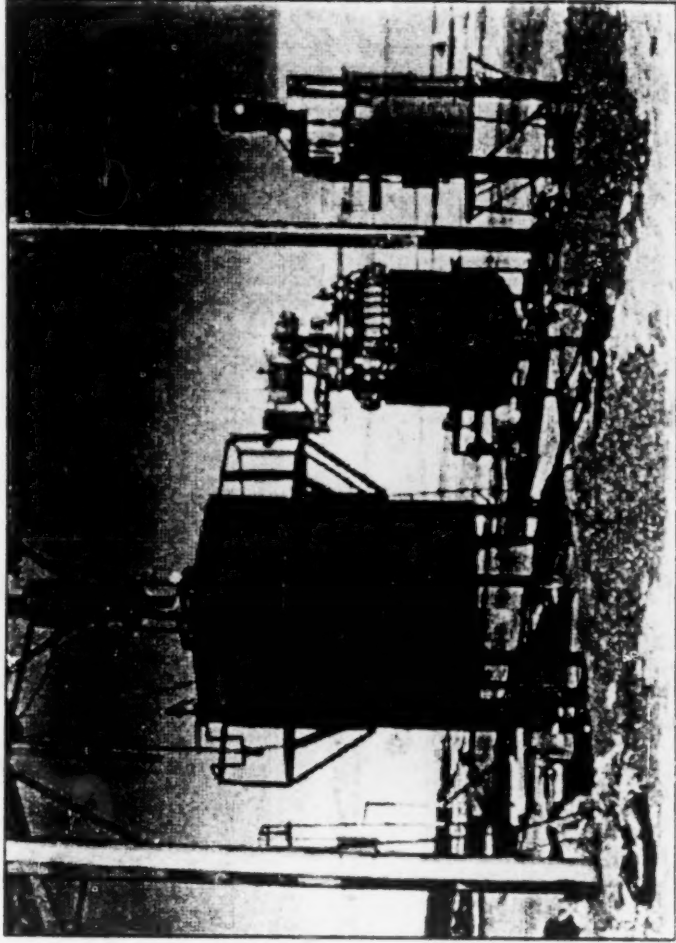
Exterior



Inefficient, Deteriorated Facility

Simulant Mixing Facility

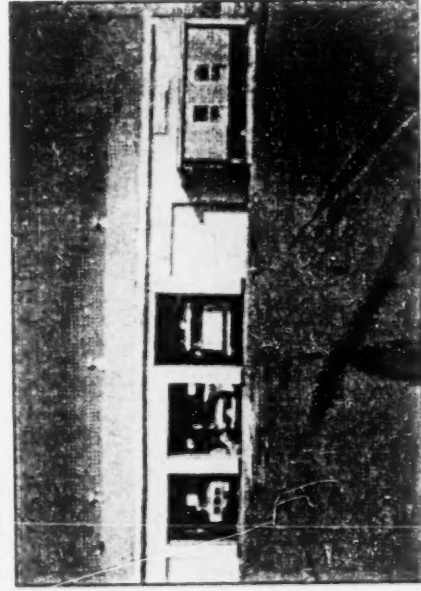
Dugway Proving Ground, UT



Inadequate Facility & Environmental Controls

Fire Station *Fort Ben Harrison, IN*

Exterior



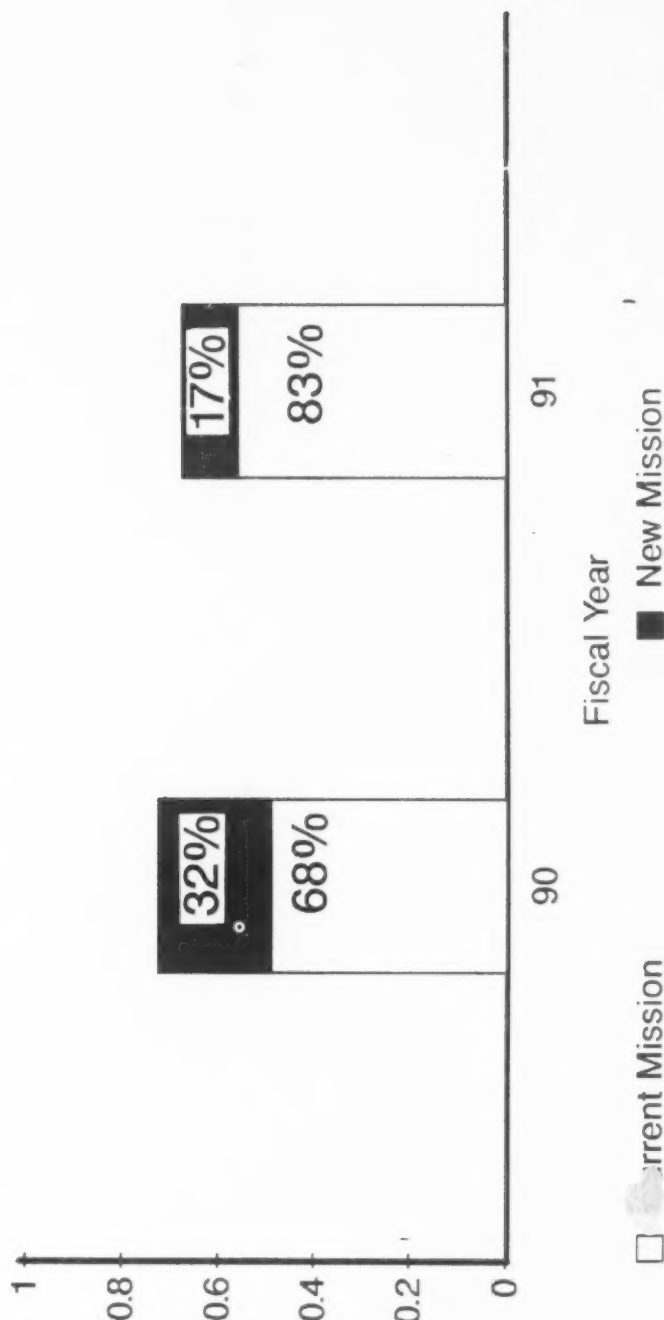
Inadequate Space

Major Program Highlights

New Mission / Current Mission

(Excludes UMMCA, P&D)

\$ Billions



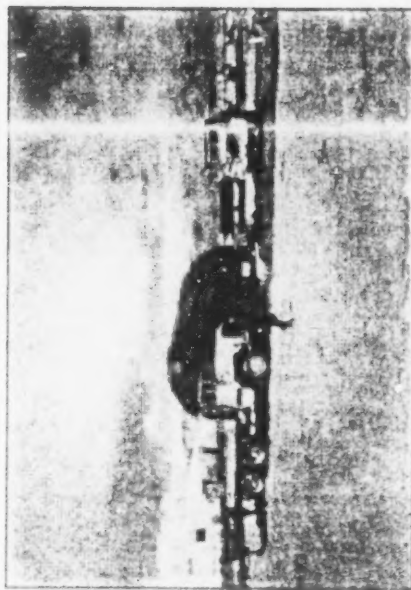
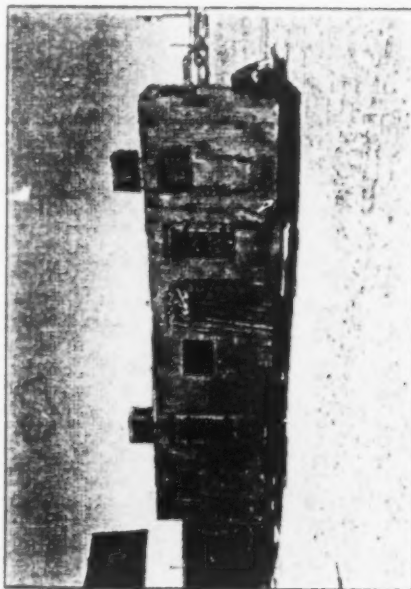
FY91 New Missions

Mission	Location	# Projects/\$
Chemical Demil	Anniston AD, AL	3 / \$76M
	Tooele, AD, UT	
6th Infantry Div	Ft Wainwright, AK	2 / \$6M
NBC Defense	Pine Bluff, AR	1 / \$2M
Natl Trng Cntr	Ft Irwin, CA	1 / \$4M
MLRS/Unit Activation	Ft Bragg, NC	2 / \$13M
ATACMS	Germany	1 / \$5M
AH-64	Germany & Korea	3 / \$11M

Hardstand/Tactical Equipment Shop

Fort Irwin, CA

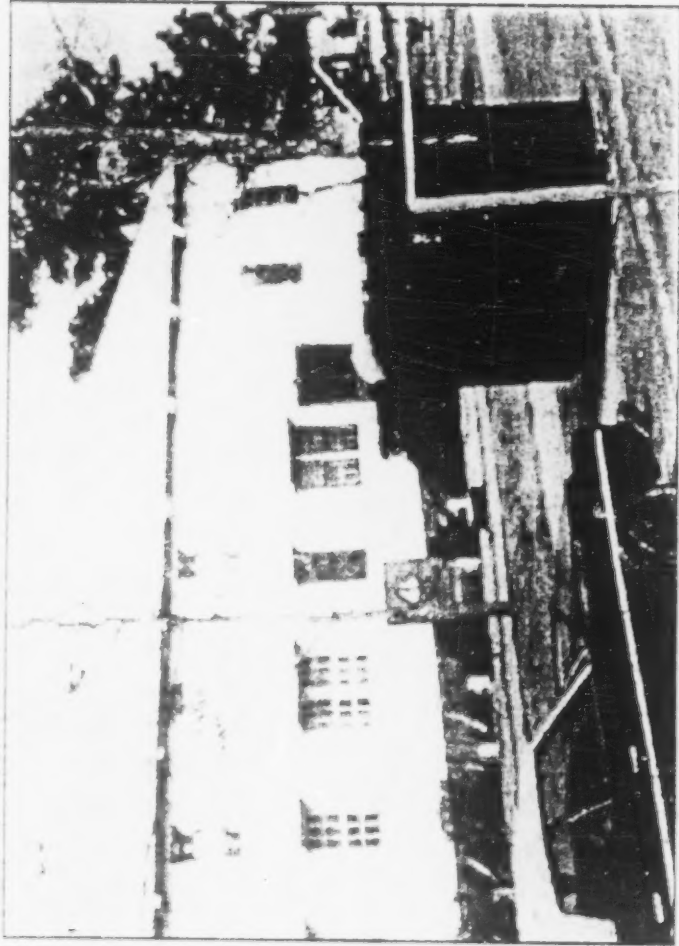
Office



Maintenance Shop

Battalion Headquarters

Fort Bragg, NC



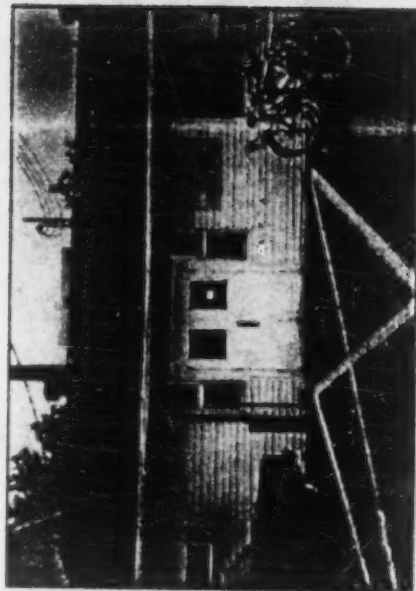
Current Facility

FY91 Current Mission

Major Construction Projects	\$M
General Instr Bldg, Ft Leavenworth, KS	34
Toxicology Research Fac, Aberdeen PG, MD	33
Maintenance Facility, Fort Bragg, NC	32
Ctr For Strategic Wargaming, Carlisle Bks, PA	25
Multi-Purpose Range Complex, Fort Knox, KY	23
Modernize Sewage Treatment Plant, Ft Sill, OK	22
CMTC Enhancements, Hohenfels, GE	18

General Instruction Building

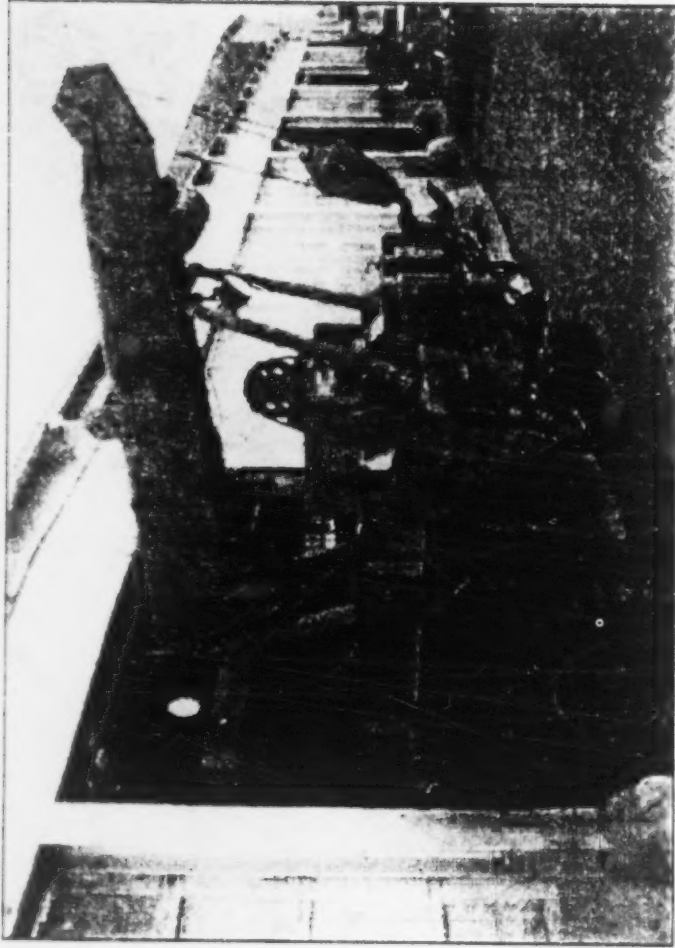
Fort Leavenworth, KS



Existing Facilities

Maintenance Facility (Phase I)

Fort Bragg, NC



Existing Facility

Living and Working Conditions

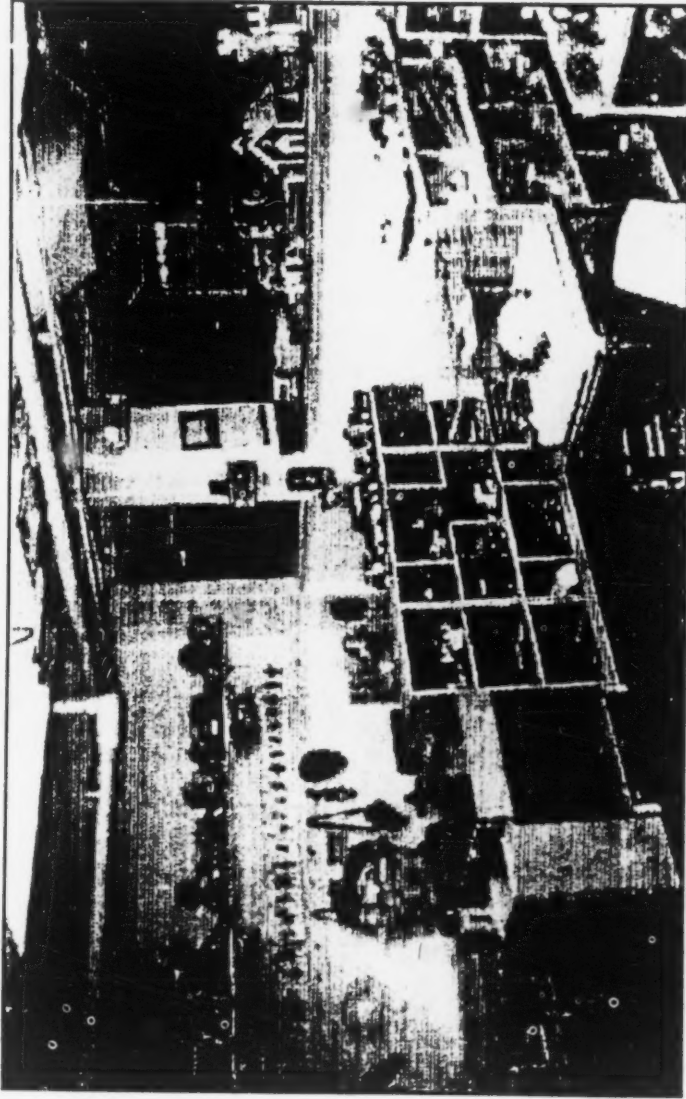
Military Construction, Army

(# Projects/\$ Millions)

	FY88	FY89	FY90	FY91
Barracks & Dining Facs	20/137	13/55	9/56	2/20
Child Development Ctrs	11/30	12/32	13/37	3/5
Hardstands/Tact Equip Shops	8/70	18/130	5/47	14,119
Instructional Facilities	5/30	6/53	6/45	6/45
Physical Fitness Ctrs	1/6	1/6	2/20	3/19
Ranges	6/46	4/10	11/40	15/66
Religious Facilities	4/12	4/8	3/6	2/6

Child Development Center

Carlisle Barracks, PA



Current Facility

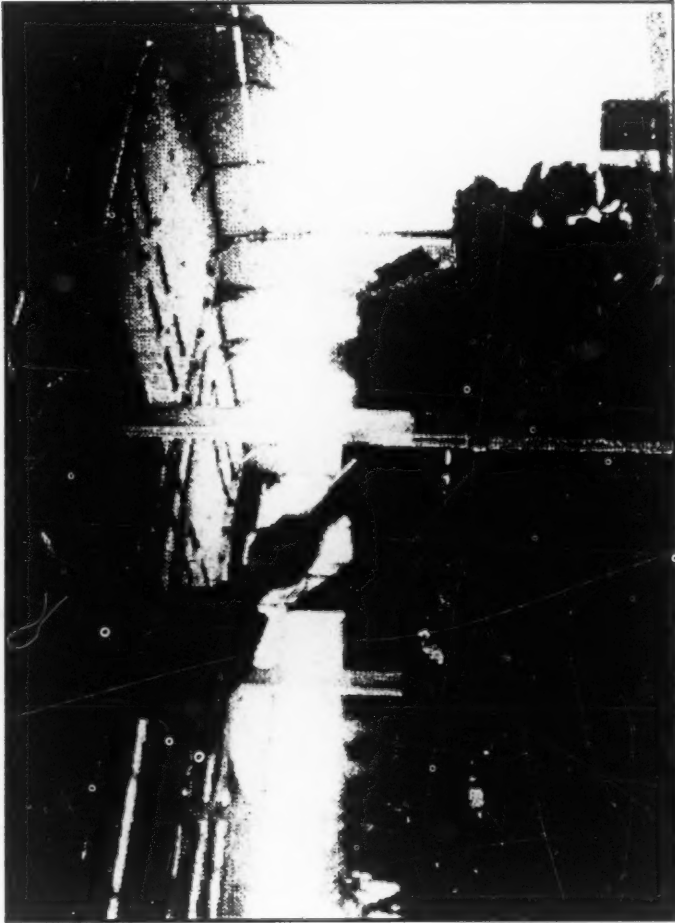
Hardstand & Wash Facility

Heilbronn, Germany



Tactical Equipment Shop

Fort Benning, GA

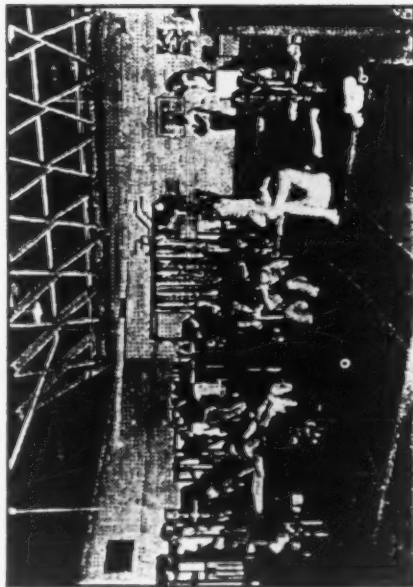


Existing Shop

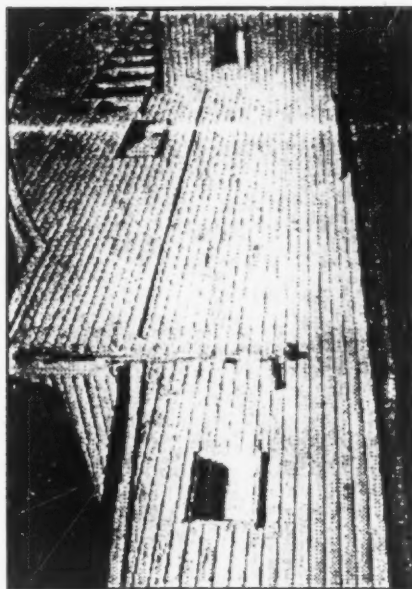
Physical Fitness Training Center

Fort Sam Houston, TX

Interior

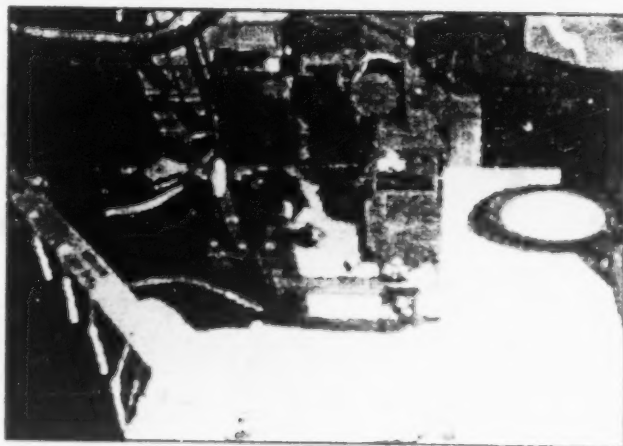


Exterior

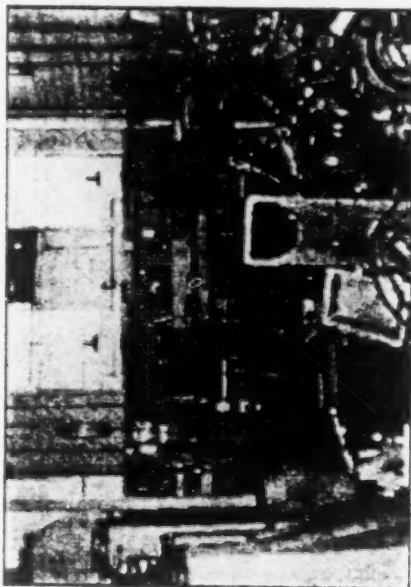


Consolidated Maintenance Facility

Fort Sam Houston, TX



Maintenance Bay

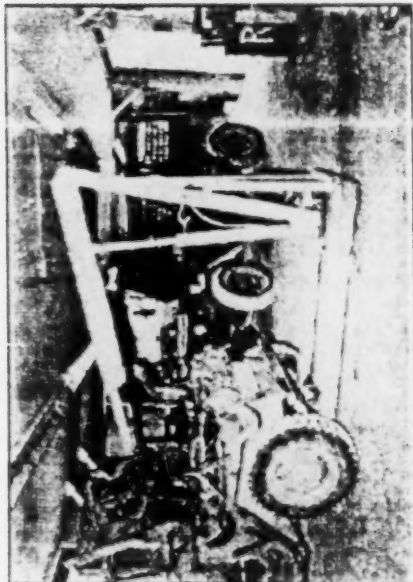
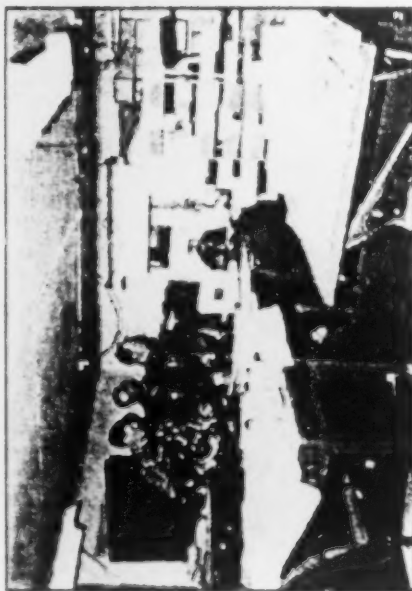


Engine Shop

Range Control Facility

Fort Hood, TX

Current Facility



Range Vehicle Repair Shop

Army Facilities Summary

258

- Minimal Funding Levels
 - Strategy Focuses on Highest Payoff
- Force Reductions and Realignments
 - Facilities Accounts Under Review
- Revitalization
 - Primary Thrust for Construction
- Living and Working Conditions
 - Provide Essential Facilities

STATEMENT OF MAJOR GENERAL PETER OFFRINGA

MG OFFRINGA. I would like to illustrate our program with a series of slides that would highlight the Army 1991 budget request. Since slides are perishable, I put the photographs in a book for you so, at your leisure, you can be reminded of our needs.

[Slides 1, 2] As Ms. Livingstone indicated, we have a facilities strategy. We use this strategy to guide the way we put our program together. That strategy also guides us to stress maximum use of existing facilities and then only to construct new facilities to meet mission requirements as required.

We are stressing revitalization as a way of improving Army facilities, either by new construction where repair is no longer economically justified, or by repair using our operations and maintenance accounts as necessary.

[Slide 3] This chart shows the overall facilities funding for the Army consisting of our three accounts: the Repair and Maintenance Account in green on the bottom; the Family Housing in blue in the middle; and our Military Construction in yellow at the top.

Fundamentally the long-term trend is upward in then-year dollars. You can see that the repair and maintenance portion, particularly the operations portion in family housing, is increasing in width. This increase squeezes out our construction and constricts our investment stream as we go out into the future.

[Slide 4] Part of the impact of that trend is shown on the next chart, which basically shows on the bottom the dollars the Army is able to put into the revitalization of the existing facilities. This revitalization band consists of major repair, maintenance, and improvements dollars that come out of the operations and maintenance program, and the current mission dollars that come out of the military construction program.

Because of the decline in those dollars since 1986, our backlog of maintenance and repair as shown in yellow on the chart has dramatically increased since 1987. Until then we had things pretty well under control. Our projection is that unless we put more money into revitalization our backlogs are going to continue to grow and force into the out years a bill we are someday going to have to pay.

[Slide 5] These are the numbers in our 1991 request as compared to numbers from previous years. The overall total increased slightly, but you can see that the construction amount has decreased a little from 1990.

[Slide 6] The overseas portion of the request, shown on this chart, identifies the percentage of the total request which is going overseas. As you can see, overseas construction is down dramatically. We have focused our overseas construction only at those areas we know will have long-term tenure regardless of the level of force structure overseas, particularly in our major training areas and our logistics bases that will be there to sustain whatever force we need.

[Slide 7] This chart breaks out the program by category. The general trends there show that in the quality-of-life area of maintenance facilities and unaccompanied housing our total percentages remain about the same. We have put more money into maintenance this year and less into unaccompanied housing reflecting uncertainties in the various rebasing and force structure changes.

[Slide 8] Now I will show government facilities that make up those various categories. We have a good number of dollars that are going into range upgrades, primarily to get rid of ranges, like this one at Fort Hood, that were built during the Korean War. These ranges are very manpower-intensive because you can see we need soldiers to score. Therefore, their time is not used as efficiently as it is on the newer ranges we are requesting which are all computer-scored.

New ranges have the advantage not only of allowing soldiers to use 100 percent of their time for training, but also provides them immediate feedback. In this way, when they come off the range they have an immediate result that can be critiqued in terms of how well they have performed.

Mr. HEFNER. You use live ammunition here, do you not?

MG OFFRINGA. Oh, yes, sir.

Mr. HEFNER. Do you also use something like the MILES system?

MG OFFRINGA. No, sir. They are all live ammunition targets.

[Slide 9] This shows the facility at Fort McCoy, Wisconsin. This facility is primarily for reserve training. This slide shows a facility that dispenses fuel and has environmental problems. Not only does this facility have environmental problems, but as you can see, the facility is barely adequate to house the people who have to work there.

[Slide 10] This slide shows a line-up going to the wash facility at Fort McCoy. As you can see, there is much time spent waiting in line in order to get on the facility to wash the vehicles. Not only that, but once the troops get on the wash racks, because we have only garden hoses there, they have to do the cleaning manually which takes a lot of time.

The reserves go up there, and they are only there for a short period of time. We spend a significant amount of that time merely maintaining the vehicles, which cuts into our ability to adequately train.

Mr. HEFNER. Like the one at Fort Hood, will this handle M-1 tanks?

MG OFFRINGA. The replacement facility will handle M-1 tanks; yes, sir. Just like the one at Fort Hood.

Mr. HEFNER. Okay.

MG OFFRINGA. [Slide 11] We are fielding the new AH-64 helicopters at Fort Carson. The existing maintenance hangar there is already filled with helicopters. We need to put in modern maintenance facilities and sufficient parking space to accommodate the aircraft.

As you recall, the AH-64 has a much larger footprint than the older helicopter. It requires more room, more maintenance, and at \$16 million a copy we need to make sure we are properly caring for these aircraft.

[Slide 12] At Fort Benning—this should bring back some nostalgia—this facility was barely adequate after World War II. It is a recreation facility that is used by the trainees there. We would like to put a new facility there because this is the only recreation facility, at Sand Hill. This area is a considerable distance from any other area.

[Slide 13] At Fort Bragg we store all the maps for the contingency force in this building. We have hundreds of thousands of dollars worth of maps that are stored within racks, as you can see. Not only does this procedure make inventory control difficult, but we get significant damage to our map supplies.

[Slide 14] At Dugway Proving Ground, where we do all of our toxic testing, we have a simulant mixing facility, which exists simply in this big metal vat. We are asking for a modest amount of money to put up a building for modern simulant mixing so we can get the right kinds of percentages and make sure they are scientifically accurate when we do our tests.

[Slide 15] At Fort Ben Harrison, this is an old fire station. As you can see in the slide on the right, when we have a fire call it is very difficult to get into the truck because the new fire equipment is so wide that it does not fit into the old facilities. Firefighters can barely get in and out of the truck.

[Slide 15a] I would like to highlight, now, a few major programs both within our current mission and our new mission.

[Slide 16] This slide shows the break-out of current mission and new mission.

As you can see, compared to 1990, the amount of new mission has declined significantly and we anticipate this trend will continue into the future. We will be putting more and more of our money into revitalization of our old and aging facilities, such as the ones you have already seen in some of these slides.

[Slide 17] These are some of the major projects in the new mission category. Chemical demilitarization facilities are part of the chemical demilitarization program that includes \$54 million for the construction of a demilitarization facility at Anniston.

As you know, we are still collecting information from the test site out at Johnston Island. In addition, we are making changes in the program as we develop the design because initial estimates were based on 60 percent design. I would anticipate there will be some cost adjustments that we will be presenting to you in the program next year to accommodate the changes that surface as we go through the design and construction.

The Sixth Infantry Division: These are the last of the projects in Alaska and they basically provide safety and refueling facilities at the runway at Fort Wainwright.

Pine Bluff is an interesting story. Within the Army we have the requirement to provide chemical detection paper. It is similar to a little piece of litmus paper. The soldier wears it to give him a preliminary indication that there is a chemical threat.

This paper is purchased from a factory in Italy which is the sole source. It is fabricated in Canada. Both of those corporations are on shaky ground and are about to go out of business. We think, for \$2 million, we ought to "Buy American" and build a facility at Pine Bluff to make this paper.

[Slide 18] This slide shows the National Training Area. This project will provide a maintenance facility for an engineering organization that does not have one.

There are two battalions of MLRS that are being activated at Fort Bragg. This request provides headquarters facilities and some maintenance facilities for them.

There is one facility in Germany for the ATACMS Missile which is an anti-personnel missile for the MLRS. We need to have quality assurance for the testing of these missiles. If we have to bring them back to CONUS, it costs us about \$16 million a year. For \$5 million we can do testing overseas and in a much better way.

Finally we show the facilities for the fielding of the AH-64s both in Germany and in Korea.

Mr. COLEMAN. Could I ask a question about the MLRS at Fort Bragg?

MG OFFRINGA. Yes, sir.

Mr. COLEMAN. What units are using those? Is that artillery?

MG OFFRINGA. Yes, sir. Those are artillery battalions that support the contingency force.

Mr. COLEMAN. They are at Fort Bragg?

MG OFFRINGA. Yes, sir.

Mr. COLEMAN. Thank you.

MG OFFRINGA. This is the one slide I could not take in the rain.

Last year I showed you the slide of the bus we were using as a shop office. I am happy to announce we have replaced the last shop-office bus. Now we have some offices.

Mr. HEFNER. Is this the updated facility here? [Laughter.]

MG OFFRINGA. We are hoping that, with the \$4 million we are requesting, we can put a maintenance operation in there: I cannot say to get the troops out of the mud, but I can say get them out of the sand in order to do their maintenance.

They have nothing now except that maintenance tent and that military van.

[Slide 19] This slide shows the battalion headquarters upgrade at Fort Bragg we want to do as part of the MLRS fielding.

[Slide 20] This slide shows major current mission projects in our FY91 request. The general instruction building at Fort Leavenworth will accommodate the expansion of Fort Leavenworth to meet the increase in student load.

The Toxicology Research Laboratory at Fort Aberdeen will get us out of World-War-I- and World-War-II-built facilities that violate most OSHA standards, and are on the edge of violating animal care standards.

The maintenance facility at Fort Bragg is a dent in the Director of Logistics facilities that do the area-wide maintenance for all of our major posts. This gets our people out of facilities that look like they came out of the Industrial Revolution.

The Center for Strategic War Gaming is the war gaming laboratory for the War College students at Carlisle Barracks, that will provide them the opportunity to put to practical application those things they have learned.

At Fort Knox we will finally get a modern range for the armored school. This project takes care of an environmental compliance problem that we will have if we do not build that facility.

Finally, we are trying to finish up the last of the enhancements to the combat training center at Hohenfels, which is the National Training Center of Germany, and will be there until the last maneuver battalion departs.

[Slide 21] Here are a few pictures of these facilities that show the existing facilities for the students who are at Fort Leavenworth.

These buildings are cavalry barns built in the 1900's. We want to try to get a modern facility for our leader development, which is becoming more critical as the Army gears down.

[Slide 22] This is part of the Director of Logistics facility at Fort Bragg. You can see this was built for much smaller vehicles than we now have. When we go to maintain the bigger equipment, we have to do them half a vehicle at a time because that is all we can get inside the building.

[Slide 23] I know living and working conditions have long been an interest of this Subcommittee. I want to show you the number of projects and the dollars we are putting into living and working conditions improvements. There are a significant number of projects. Here are a few pictures of those.

[Slide 24] This is the Child Development Center at Carlisle Barracks. It is in the basement of an apartment building. As you can see, the pipes are so low we cannot put a false ceiling in there. It is overcrowded, and it uses common hallways with the apartment building which causes us some security concerns.

[Slide 25] This slide shows a hardstand for the multiple-subscriber equipment radio system: a new modern system we are putting in that would support the remaining forces in Germany. We are going to double the number of vehicles. We have only a third of the space we need now for the existing vehicles.

[Slide 26] At Fort Benning, as you can see, this artillery piece barely fits into the maintenance building: an old World War II facility. We would like to give the soldiers there some modern facilities so they can better maintain their equipment.

[Slide 27] At Fort Sam Houston, this is the gymnasium, the only gymnasium on post. It is a World War II facility. It presents fire and safety problems. As you can see, it has reached the end of its useful life.

[Slide 28] This is the Director of Logistics repair facility just like the one at Fort Bragg. Unfortunately it is in the same condition: a World War II kind of facility. The only way we can change the engines is to bring in the yellow equipment as shown because all the overhead hoists have failed.

This shows the engine shop within the facility which is a building that is just not worth keeping any longer.

[Slide 29] This is the Range Control Facility at Fort Hood, Texas that controls 32 sophisticated ranges. We run this out of a place where the roofs leak and we have barely enough room to operate.

Mr. HEFNER. Is that the only facility at Fort Hood at which you do this?

MG OFFRINGA. Yes, sir.

Mr. HEFNER. Run that slide back again.

You do what out of this facility?

MG OFFRINGA. This is where we schedule and control all of the ranges. The use of the 32 ranges is controlled, scheduled and operated out of this building. There are two others just like it out of which we operate the ranges. This is where, for example as the aircraft come over, they shut down the ranges.

A lot of this operation is computerized; and we do not have the appropriate air conditioning to take care of the computers.

This slide shows the equipment shop associated with the range facility. This is all range equipment. There is barely room to store it in there and to maintain it.

[Slide 30] That, sir, highlights and summarizes our program. I wanted to show you these four statements because we feel this slide summarizes the basis of our programs: at minimum funding levels, we are trying to focus on areas that have the highest return; we are trying to focus on realignment; reviewing very carefully all the facilities we have to make sure we are using them in the best way; going towards revitalization of our old facilities; and finally trying to provide the new and essential facilities required to provide good living and working condition for our soldiers.

This concludes the annual slide show. We are prepared for any question from the Subcommittee.

PROGRAM LEVEL

Mr. HEFNER. We have to go back to 1980 to see a budget request for Army military construction that was lower than this request for 1991 with peace breaking out.

Do you see this as being about the appropriate level for now?

Ms. LIVINGSTONE. Mr. Chairman, in one of the slides that was not shown up there, if we take the RPMA—the Real Property Maintenance Activities—accounts combined with our military construction and Army family housing, we are about 7.6 percent of the total Army budget. That actually is an increase, percentage-wise, for those facilities accounts as compared to the percentages in 1988, 1989 and 1990.

So from one perspective, in terms of percentage—getting the Army funds that are available—we are doing fairly well. From another perspective, though—and I think the backlog of maintenance repair slides were shown—we still have serious funding problems in the facilities area.

For instance, the Army Family Housing funding level we are requesting in the 1991 budget places us on a 100-year cycle on our family housing versus our Army objective of 35 years, even though Army family housing is 2 percent now of the total Army budget. So we have a very serious backlog of deferred maintenance and repair, also, in the Army Family Housing program. That is going to increase by about \$110 million between 1990 and 1991.

The same thing with military construction. In military construction funding, we are stressing revitalization. Nonetheless our revitalization rate, at our current funding levels, is only 1 percent. Our objective is to fund 1.75 percent of our plant value; but when you look at the private sector they are funding at 8 percent.

Basically we are building bills for the future at this funding rate. So are we faring well in an environment of limited resources? Yes. Do we need more? Yes.

FORT BRAGG MEDICAL CENTER

Mr. HEFNER. Regarding medical facilities, I have a personal and very strong interest in providing a medical center at Fort Bragg.

Can you bring us up to date on the status of the Defense Medical Facilities Office planning and design for replacement of the existing hospital at Fort Bragg?

Ms. LIVINGSTONE. Yes, sir.

Mr. Chairman, we are currently in the process of selecting an architect/engineer to do the site investigation for that project. The project schedule calls for the site investigation study for the hospital—actually it is a medical center: I should make that distinction—not later than fiscal year 1991 with full MCA construction funding requested in fiscal year 1993. We are still estimating about \$160 to \$170 million for that project. \$8.9 million of that is going to be bracketed for realignment funding because of the movement of graduate medical education programs into the hospital.

Mr. HEFNER. What will that provide at Fort Bragg?

Ms. LIVINGSTONE. It will replace the existing hospital with a medical center which will have graduate medical education training programs.

Mr. COLEMAN. Does that replace any of the proposed closings for any of the hospitals?

Ms. LIVINGSTONE. No, sir, it does not replace them. What it does, though, is provide some expansion capability for the medical facilities that would be transferred from Letterman Army Hospital to a number of different sites. Fort Bragg is one.

Mr. COLEMAN. What other sites are proposed for that transfer?

Ms. LIVINGSTONE. Do you have a migration chart?

MG OFFRINGA. There are some that would go to Fort Lewis. There are a number of others that would go to the various other sites in CONUS.

Mr. COLEMAN. Could you give me a list of those?

[The information follows:]

LETTERMAN ARMY MEDICAL CENTER

The distribution of the assets of LAMC can be separated into two categories. First, the transfer of the Graduate Medical Education (GME) programs, which comprises over 90% of the personnel authorizations being relocated, is the major migration of personnel. The GME personnel authorizations, consisting of resident physicians and support staff, are currently programmed to be transferred to the following locations: Fort Gordon, GA, approximately 107 military and 61 civilian authorizations; Fitzsimons Army Medical Center, CO, approximately 30 military and 18 civilian authorizations; Fort Lewis, WA, approximately 364 military and 284 civilian authorizations; Fort Shafter, HI, approximately 55 military and 33 civilian authorizations, Walter Reed Army Medical Center, Washington, DC., approximately 155 military and 85 civilian authorizations; and Fort Bragg, NC, approximately 213 military and 115 civilian authorizations. The remaining medical authorizations associated with LAMC, less than 10%, will be distributed to various locations throughout the continental United States to provide medical, dental, and veterinary services.

The above information is current to March 5, 1990. Ongoing reviews of plans for military realignments and base closures, including those which Congress will have to approve, may require revisions of the above data.

Mr. COLEMAN. Thank you.

Thank you, Mr. Chairman.

Mr. HEFNER. Do you have the money to do the A&E contract for planning and design at Fort Bragg?

Ms. LIVINGSTONE. Yes, sir. Prior year funding is available for that and some funding for the design of the hospital, or medical center, again to make that distinction, is available.

Mr. HEFNER. I have some other questions, but I will yield to Mr. Lowery.

REPLACEMENT RATE

Mr. LOWERY. Thank you, Mr. Chairman.

Let me follow up on the replacement value. Obviously the trends are downward in terms of new missions. You said the replacement is a 35-year backlog.

Ms. LIVINGSTONE. We are modernizing our existing facilities, revitalizing it at a 1 percent rate. That equates, year-wise, in Family Housing to a 100-year cycle.

Mr. LOWERY. 1 percent would be 100 years?

Ms. LIVINGSTONE. 100 years.

Mr. LOWERY. If I understand correctly, it is a 1 percent replacement value for military construction and 2 percent for housing?

Ms. LIVINGSTONE. Yes. The military construction portion of the Army budget represents 1 percent of the total Army budget; the Family Housing request represents 2 percent of the total Army budget; and then the repair and maintenance accounts represent the 5.6 percent of the total Army budget.

When you put all those together, which really are facilities accounts, it is 7.6 percent of the Army budget, which is higher than the last few years. Not as high as 1987, but we are ramping down in overall resources.

Mr. LOWERY. So you are shifting money from repair and maintenance to attack that backlog?

Ms. LIVINGSTONE. No, sir. We are placing more emphasis on revitalization, renovation, and care of our existing facilities than we are on new construction.

Mr. LOWERY. What do you see happening? Do you have any projections out for the next five years in terms of how much you are going to cut down that backlog so replacement is every *X* number of years instead of, apparently, every 100?

Ms. LIVINGSTONE. At the current projected rates, even with shifting the funds to our repair and maintenance accounts, our backlog of maintenance repair will grow and grow significantly. We are at about \$2.9 billion right now and it will rise to about \$3.3 billion by the end of 1991.

So we are not getting ahead. We are still developing a significant backlog of maintenance and repair.

Mr. LOWERY. You factored in the realignment and closures from last year?

Ms. LIVINGSTONE. Yes, sir.

Mr. LOWERY. Even with those facilities taken out, you still have the kind of backlog described?

Ms. LIVINGSTONE. The first base realignment closures that were enacted into law have been incorporated into that backlog of maintenance and repair. I do not know whether or not the second closure round has been.

General Offringa is indicating it has not. So we have not incorporated those proposals into our maintenance and repair accounts because these are proposals and not final decisions.

MG OFFRINGA. We have tried to attack the backlog problem from a number of directions. Obviously increased funding is one way. Another way is to decrease the requirement, and you decrease the requirement in a number of ways.

One way is to close bases. Another way is to get rid of facilities on the bases that you no longer need, that are no longer economical to repair such as a lot of the old World War II buildings. We are trying to attack it from both directions.

On the funding side we are attacking it through two methods of funding. One is with the repair and maintenance dollars where we repair and revitalize those facilities that are economical to repair; and, on the construction side, by focusing more and more of our construction dollars on revitalization, and replacing those facilities that, for economic purposes or functional obsolescence, are no longer reasonable to continue to operate.

We have projected the continued growth of the backlog unless we are able to raise our revitalization from 1 percent, where we are currently, to funding levels at 1.75 percent. At 1.75 percent, our projections would cause the backlog to flatten and eventually go down. That is the target on which the Army has focused as we build our out-year program for 1992 to 1997.

Mr. LOWERY. When you say construction, do you mean housing facilities as well?

MG OFFRINGA. I was talking primarily of working facilities. We are doing the same thing in housing. The problem is not quite as bad in housing in the growth of the backlog; but we have bigger problems in functional obsolescence because houses tend to become functionally obsolete much faster than other facilities.

Mr. LOWERY. Will we see the backlog coming down or is it still growing in housing?

MG OFFRINGA. It is still growing in housing. We have a similar projection for our housing; and we are, again, in the out-year program telling the Army if we do not fund at a replacement level—I think, for housing, it is 3.5 percent—that we are going to have backlogs that will be unacceptable.

Ms. LIVINGSTONE. That projected backlog increase of deferred maintenance and repair requirements in housing is about \$110 million increase between 1990 and 1991.

Mr. LOWERY. Per year, and we expect the current rates to continue to grow?

Ms. LIVINGSTONE. Right.

REALIGNMENT

Mr. LOWERY. I know the Secretary has put emphasis on the services in the realignment proposals. Could you share with us the timetable for that and what studies must be done before moving candidates to the actual proposed list?

MG OFFRINGA. The announcement of the Secretary on the 29th of January started the clock ticking on numerous studies we have to do regarding closure. First of all, every one of them will require environmental documentation.

Right now, we are proposing, and have already put out a notice of intent, to do Environment Impact Statements on three. One is a

move to Fort Lewis; another is the closing of Fort McLellan; and the third is the closing of Sacramento Army Depot.

The other proposed closures would all require environmental assessments and those are currently underway. In the cases where we have an Environmental Impact Statement, we project it will take at least 18 months to complete the study. The environmental assessments could run anywhere from six months on up depending on how complex they are.

Mr. LOWERY. Six months up to what?

MG OFFRINGA. I would say not more than a year; and they could be relatively short.

Mr. LOWERY. What happens after the Environmental Assessment and the Environmental Impact Statement? That is step one, and there is nothing else going on while the environmental review is taking place?

MG OFFRINGA. There would also be the preparation of any announcement we would have to make under Public Law that requires us to provide specifications and so forth to the Congress.

Ms. LIVINGSTONE. That particular section of Title X requires not only the development of a fiscal, economic, local impacts type of study, but also budget impact, environmental impact, strategic and operational kinds of consequences from the proposed closures and realignments.

Those studies would be going on as well in terms of compliance with the Title X requirements.

MG OFFRINGA. Those would be going on simultaneously so that when we completed the Environmental Impact Statement we would be prepared to make formal notification and provide the documentation required by law. At the same time, as a matter of good business we would probably be doing baseline studies for Homeowners Assistance.

Because a proposal could be made that could impact the market, we need to be sure we have baselines to take care of people.

Then at the completion of the environmental documentation there would be a record of decision and a formal announcement of whatever decision had been made, at which time the legal documentation would be provided to the Congress.

Mr. LOWERY. Thank you.

Ms. LIVINGSTONE. Mr. Lowery, I would like to add one other point.

It also must be recognized there are significant additional assessments going on for force structure levels for the Army. Depending on how those options develop and the decisions that are being made, clearly the proposals that were announced on 29 January also will have to be assessed against the impacts of those new force structure decisions: Do they still make sense? Do they not make sense? Is there another alternative that needs to be developed to accommodate new force structure levels?

So those reviews and assessments will also be going on.

Mr. LOWERY. Thank you, Mr. Chairman.

FORT POLK, LOUISIANA

Mr. HEFNER. I have another question before we move to Mr. Coleman.

In our Conference Report last year we asked the Army to expedite the design of a replacement of the headquarters at Fort Polk, Louisiana, and to include construction funds in the budget. No construction funds have been requested.

Ms. LIVINGSTONE. Mr. Chairman, I will have to ask General Offringa to respond to that question.

MG OFFRINGA. We have initiated the review of the project and released the design on that. That, unfortunately, has fallen under the construction moratorium.

As soon as the moratorium is raised, tentatively scheduled for the 30th of April, we will move ahead.

Mr. HEFNER. Thank you.

MG OFFRINGA. Okay.

Mr. HEFNER. Mr. Coleman?

MORATORIUM

Mr. COLEMAN. I think your question, Mr. Chairman, relates to the question I also had about the status of the moratorium on all new construction.

What is the status on new contract awards?

Ms. LIVINGSTONE. Mr. Coleman, currently all construction and design awards are on hold until April 30th because of the moratorium. At that time, once that is potentially lifted, we will simultaneously scrub those to see which need to move forward, given the changing environment with which we are faced at this time.

Mr. COLEMAN. I think we ought to point this out publicly and say so. We, in the Congress, got beat about the head and shoulders pretty good by the past-President, and maybe we will by this one, too, if we have a Continuing Resolution again.

You have already commented, in responding to the previous question about the moratorium, about what makes sense and what does not in terms of force restructure, base closures and the rest. A lot of us, I think, are going to be in the position, particularly in this Committee, of saying, "I do not want to vote to spend any money for projects where we are going to find out it is not just embarrassing, it is criminal to do so."

I suppose we can all act like we can wait around for supplements, if in fact we get them, but it seems totally inappropriate for us to move forward before making those kinds of decisions. I would say to you it is my intention to not be an advocate for new military construction spending unless a clear case is going to be made that that money is not going to be wasted.

Mr. Chairman, I would hope this Committee would not move forward before making those decisions. If those decisions do not come until the end of the summer, or in the fall, we will deal with this then. We can be prepared to remove or add, I suppose; but at the same time for us to go forward with real legislation and real appropriations I think is going to be a mistake.

I am saying publicly I would hope our colleagues on the other side of the aisle would understand that it does not make sense for

us to wring our hands about a Continuing Resolution if, in fact, we would be wasting taxpayer dollars or inappropriately appropriating money for programs and projects that do not make sense.

Ms. LIVINGSTONE. Mr. Coleman, I can assure that is our interest as well. As I have indicated previously in my opening statement to the Chairman, we are under a constant assessment review as force structure options and decisions are getting made, incrementally or in total, over the next couple of months to make sure every project we have—either ongoing, and/or being requested for a future program—is consistent now with the force structure plan that is being developed.

I can assure you that as and if any changes are required in our Fiscal 1991 submission, those will be made available by notification to the Committee immediately. General Galvin testified before the Committee yesterday and did indicate there was one project in Germany, Camp May, that was no longer required because of the ongoing and dynamic changes in Europe.

We will continue our scrub, make sure that it gets to you, and it will be with our assurances before mark up is required on the bill.

Mr. COLEMAN. You also said we need to build a basic infrastructure, did you not? I am hopeful that your office will have a lot of input in those decisions.

If we are going to do a lot of bases overseas, we need to be concerned about your input and whether or not the left hand knows what the right hand is doing. I am concerned about it.

WILLIAM BEAUMONT AMC

Let me ask you a question, drawing on your expertise from your previous position with the Veterans Administration. At my facility, at William-Beaumont Army Medical Center in my district, we have made good progress so far in the Memorandum of Understanding between the Veterans Administration and the United States Army. I think this shows that we can do the reverse of what was done in Albuquerque where they had a veterans facility and the Air Force joined in for health care.

We are trying to do the opposite: to have the veterans join in with the existing Army medical facility. By the way, I consider the cooperation to be excellent.

Do you see this as possibly a good way for us to go in the future in terms of actual cost savings? It seems logical to me that is what we ought to be doing. In other words, why buy two CAT Scans when one would do?

Ms. LIVINGSTONE. Indeed. I definitely feel there are significant changes that can be achieved. There are any number of sharing arrangements between the Department of Defense and the Veterans Administration dealing with not only sharing of the high-tech equipment—CAT Scans, MRIs and things of that nature—but also medical special sharing, cross-training and so forth.

On the facilities side there are definite savings to be achieved. The sharing arrangement with the Beaumont Army Medical Center has been an excellent one from the perspective of the Veterans Administration. There are other examples of that: of course,

Albuquerque where the Air Force moved into the Veterans Administration hospital and took an entire floor.

In Las Vegas, the Air Force is planning to build a new hospital at Ellis Air Force Base. The Veterans Administration will be allocated beds in that project for veteran usage.

There are a number of different sharing arrangements being discussed in terms of the Veterans Administration and the Department of Defense, as well. There is one in east-central Florida where both Air Force and Navy are discussing with the Veterans Administration potential sharing arrangements for the newly-planned east central Florida hospital of the Veterans Administration.

There is one that is being planned in discussions ongoing with the Navy and our Philadelphia Veterans Administration Medical Center.

I see there are significant cost-savings and efficiencies that would be achieved with those sharing arrangements. There are a lot of them and it would be beneficial if more could be encouraged.

Mr. COLEMAN. I think there is one question to ask when we speak of those joint arrangements. I recognize, and I think everyone on this Committee does, the lack of ability to acquire and retain the right kind of medical personnel for each facility.

Ms. LIVINGSTONE. Yes.

Mr. COLEMAN. It is a continuing problem. It is a national problem. It is not an Army or a military problem only. In my view it is truly a national problem in terms of health care as a larger, big-picture matter.

Certainly a lot of us, on my side of the aisle, at least, will have to believe you do not get those people without paying for them. We are not going to be able to retain radiologists or cardiologists, or anybody else, unless we are willing to provide the proper incentives in the health-care arena, particularly in the military services.

A lot of us—I think I can speak for pretty nearly everybody here, anyway—are on this Committee for the very reason that we happen to believe that quality of life and the quality of health care for anyone serving in our Armed Forces ought to be second to none.

I start from that basis and happen to believe we are going to make those kinds of commitments financially. I was going to ask you whether not you felt the services were, in fact, receiving from the Veterans Administration the right kind of support in these agreements, not just for facilities themselves, but for the kinds of staffing that has to go forward to add these new people in the health care loop.

Ms. LIVINGSTONE. I believe the sharing agreements that exist are working well, and the arrangements that have been made under them have been excellent.

I think the issue is that there needs to be pursued more of those types of sharing arrangements.

You are quite right in terms of, for instance, the nursing shortage alone in the United States. It would make little sense for the Veterans Administration and the Department of Defense to compete against one another for scarce medical specialties and nurse support, for instance, in a particular area.

Now that I am wearing the hat that I wear at the Army, and I have initiated conversations with my successor at the Veterans Administration, I hope to sit down with them and see if we can become more proactive in terms of developing more of these kinds of arrangements and agreements.

I think they are beneficial and also cost-effective.

Mr. COLEMAN. Please invite the Assistant Secretary who deals with health care, who we tried to get in with us a number of times and who finally met with us, and bring him or her along.

I do not know who the new assistant Secretary is, but that is one issue that gets raised consistently, at least from people in my district. A lot of times we need information, too, and honesty about what we can and cannot do for veterans.

Ms. LIVINGSTONE. The Department of Defense aggregates their procurement requirements in medical care. There is a task force that looks at, for instance, having the Army go out and buy a CAT Scan and the Veterans Administration buy a CAT Scan at two different locations.

When we aggregate requirements, we get economies of scale and they can put a bigger request out on the street to get significant cost savings. There have been hundreds of millions of dollars in shared procurement between the two agencies, the Department of Defense and the Veterans Administration, that have been undertaken with great cost savings in that area.

Mr. COLEMAN. My time is up and I yield, Mr. Chairman. Just let me ask one last question.

On that additional wing that was anticipated at William-Beaumont Army Medical Center, could you give me the year that a construction start was proposed? Do you have that? I do not remember if it was 1991 or 1992. It seems 1992 is planned for the groundbreaking and design is being done this year.

MG OFFRINGA. That is correct, sir.

Ms. LIVINGSTONE. Yes. The Veterans Administration and the Army have both allocated the funding for it. I do not know the particular fiscal year.

MG OFFRINGA. 1992 is construction. You were right.

Mr. COLEMAN. Okay.

Thank you very much, Mr. Chairman.

Mr. HEFNER. Mr. DeLay?

REGULATORY REQUIREMENTS

Mr. DELAY. Thank you, Mr. Chairman.

You have covered most of my concerns in your statement and in answering the questions my colleagues have already asked. There are a couple of things I would like to touch on. I noticed on your first slide, Number 2, your facility strategy was to meet regulatory environmental concerns.

I know from being on the Transportation Subcommittee, as I have been for four years, that there are regulatory environmental requirements in construction in infrastructure. I am sure it applies here. Are there requirements placed upon your construction that are, I guess the word would be, dilatory: that could cause expenditures that do not necessarily relate to or accomplish those environ-

mental regulations that might be changed in the future to save money?

Are there other regulations you might be able to identify for this Subcommittee that cause you heartache, headache and cost you a bunch of money that we might be able to change?

MG OFFRINGA. As you know, sir, we are required to comply with the laws of the states in which we construct as well as the Federal laws; and we do so.

There are none that immediately come to mind that are overly restrictive. I think the biggest problem we have, frankly, is in the risk area, particularly with the contractors. Bonding is very difficult to come by for environmental projects. There are a lot of contractors who do not want to undertake jobs for the government because they are afraid of the liability they may incur.

Frankly, that concern, while I do not believe is one of law, is the biggest difficulty that we have; and, in my opinion, probably restricts the number of firms that can compete for various environment-related jobs, which then drives up the bids we get.

Mr. DELAY. I bring that question up to publicly alert you that I am one Member, as all the Members here, who is particularly interested in that regulatory process in light of the fact that we are going to really have to get leaner and meaner. Obviously, with what is coming in the future and with all the proposals being made and the demands for more dollars, we will have to tighten the belt.

I am not trying to diminish the concern, but everywhere I have gone in the last five years as a Congressman speaking about military budgets and those kinds of things, time and time again you get veterans talking about, "Yes, I served in the Army," "I served in the Air Force. I know where the waste is."

You people know where the waste is, but it does not seem to get identified: not just waste because of poor management. I am talking about waste because of the regulations that we, the Congress, put on the military and the Department of Defense.

Ms. LIVINGSTONE. Mr. DeLay, I might add one perspective on that as well.

Clearly Federal acquisition regulations and the imposition of the procurement process on government contracting add significant time, one; and is sometimes penny wise and pound foolish in the approach it takes to contracting.

We have to abide by those regulations, everyone in the Federal Government does, but it is clearly deleterious to us versus the private sector which is not bound by those same strictures.

Mr. DELAY. I will give you an example that is happening at HUD.

Secretary Kemp has looked at these kinds of issues. Last week or the week before last at the Republican Conference he revealed a chart as big as that screen that showed all the different governmental regulations through which one has to go to buy a house or a condominium, or some sort of housing facility. They amounted to well over 131-some-odd procedures and steps through which one has to go.

No wonder low-income people do not have housing. There is no way that they could even start the process, and they are intimidated by it in the first place. He is attacking part of his housing prob-

lem by attacking that myriad of regulations that it takes to buy a house.

Knowing the size of the Department of Defense, there has to be the same thing. Maybe the money is not worth the effort, but I suspect it is when you are looking at not the huge budget we deal with, but the huge budget the Department of Defense deals with in general.

I, for one, am interested in looking at those things that you care to identify as burdensome regulations.

I have been trying for five years to define "quality of life". I still am not satisfied with what the Department of Defense has been able to give me as quality of life. I am not accusing any of you or the Secretary, but it seems I get the bureaucratic run-around.

Some people have even said, "Well, a rifle is quality of life if it protects a life."

Is it possible that the Army can accurately define quality of life construction and attach a budget figure to it? I realize that all construction can, in some way, be related to quality of life; but I am looking for a budget figure that best defines the quality of life construction.

Can that be done? Could you get that to me?

Ms. LIVINGSTONE. Yes, sir; within a configuration on the definition, we can certainly do that.

Normally it is where people live and work.

Mr. DELAY. That is right.

Thank you.

[The information follows:]

QUALITY OF LIFE CONSTRUCTION

Quality of Life (QOL) encompasses programs and projects which improve the living and working conditions of soldiers and their families. The following table lists those projects in the Active Component of Military Construction which the Army has highlighted as contributing to QOL:

Construction projects	Number of projects	FY91 request (million)
Barracks and Dining Facilities	2	\$20
Child Development Centers	3	5
Hardstands/Tactical Equipment Shops	14	119
Instructional Facilities	5	45
Physical Fitness Training Centers	3	19
Ranges	15	66
Religious Facilities	2	6
Family Housing New Construction	1	15
Family Housing Improvements	16	44

Furthermore, there are other programs which directly enhance the quality of life for our soldiers and their families and exist solely for that purpose:

Army Community Services (ACS).—Family Support Centers Programs—family advocacy, relocation assistance, spousal employment, exceptional family member, volunteer. \$44.9 million requested in fiscal year 1991.

Youth Programs and Child Development Programs.—child development centers, home based programs, youth services, youth development. \$74.5 million requested in fiscal year 1991.

Morale Welfare/Recreation Programs.—libraries, gym/physical fitness centers, recreation centers, auto and skill crafts, entertainment, outdoor recreation. \$257.0 million requested in fiscal year 1991.

There are many other programs, such as pay, allowances, benefits, medical, maintenance and repair which also have a positive effect on the quality of life. However, these are not quantified solely for QOL purposes.

Mr. DELAY. Thank you, Mr. Chairman.

PRESIDIO OF SAN FRANCISCO

Mr. HEFNER. What is the current status of any plan to lease back the Presidio from the Department of the Interior?

Ms. LIVINGSTONE. Mr. Chairman, as you know Public Law requires us to close the Presidio. We have been directed by Conference Report language to undertake a study to pursue a potential leaseback arrangements of Letterman Army Hospital, Sixth Army Headquarters, Commissary, Family Housing, and Child Care at the Presidio.

We have had some initial discussions with the Department of the Interior on that and currently have put together a Statement of Work or Scope for the study, and are seeking approval by the Office of the Secretary of Defense to proceed with the study.

If I get that approval, Army will move forward with the study in coordination and cooperation with the Department of the Interior. It should take us, probably, about five to six months to specifically address the issues in the Conference Report.

The Department of Interior of course wants to conduct a much more comprehensive land-use master plan for the Presidio, which they will take over from us when we close down our activities.

FORT ORD, CALIFORNIA

Mr. HEFNER. Will the water distribution project at Fort Ord still be required?

Ms. LIVINGSTONE. Yes, sir. That particular project would be needed irregardless if we were going to close or stay at Fort Ord. It is not a project that would be impacted by a new base realignment closure.

General Offringa may want to expand on that.

MG OFFRINGA. We have a salt-water intrusion problem at Fort Ord that threatens the entire water supply. We looked at that project very carefully when word was announced for closure.

It was our opinion that regardless of the disposition of Fort Ord—if it remained active, or if it was given to the Guard and Reserve for training, or if it was alternatively disposed of—the water supply would add to the economic value of that land, and that it would be a good economic decision for the government to ensure a water supply there.

MORATORIUM

Mr. HEFNER. Please submit for the record a list of the exemption you have requested to date from the moratorium on contract awards of the Secretary.

Ms. LIVINGSTONE. We would be pleased to, Mr. Chairman.
[The information follows:]

CONSTRUCTION MORATORIUM

The Deputy Secretary of Defense approved the following exemptions requested by the Army:

	Location	Description
Fiscal year:		
1988	Fort Stewart, GA	Chapel.
1988	Heleman, HI	New Family Housing.
1989	Fort Bragg, NC	Applied Instructional Facility.
1989	Heleman, HI	New Family Housing.
1989	Schofield Bks, HI	New Family Housing.
1989	Fort Leavenworth, KS	New Family Housing.
1989	Honduras	Facility Upgrade.
1989	Honduras	Facility Upgrade.
1990	Noorvik, AK	Scout Armory.
1990	Tununak, AK	Scout Armory.
1990	Fort Wainwright, AK	Scout Armory.
1990	Fort Richardson, AK	Communications Facility.
1990	Fort Wainwright, AK	Physical Fitness Center.
1990	Fort Drum, NY	Aircraft Parking Apron.
1990	Fort Drum, NY	Aircraft Fuel Facilities.
1990	Fort Drum, NY	Aircraft Hangars.
1990	Fort Drum, NY	Aircraft Operations Facility.
1992	Various	Design (all projects, unless they are located in a NATO country, or a U.S. installation identified for closure or realignment as per the 1988 Base Closure and Realignment Act or the Secretary of Defense's announcement on 29 January 1990).

The Deputy Secretary of Defense denied the following exemptions requested by the Army:

	Location	Description
Fiscal year		
1986	Wiesbaden, GE	Flight Simulator.
1988	Fort Bragg, NC	Company Operations Facility.
1988	Europe	Wartime Host Nation Support.
1989	Europe	Wartime Host Nation Support.
1990	Europe	Wartime Host Nation Support.
1990	Fort Campbell, KY	SOCOM Aircraft Maintenance Hangar.
1990	Unspecified CONUS	Training Complex.
1990	Showlow, AZ	Organizational Maintenance Shop.
1990	Camp Riley, MN	Armory.
1990	Various	Design.
1991	Various	Design.

Mr. HEFNER. Is it correct that the moratorium of the Secretary may have a significant impact on your Fiscal 1992 program by delaying design?

Ms. LIVINGSTONE. If the waiver requests that have been put forward to proceed with designs required in Fiscal 1992 is approved, the answer would be no. If the freeze is in effect and there are no waivers for those designs until April 30, there would be impact on projects and they just would not have the design ready for Fiscal 1992.

General Offringa may be able to give you a more specific perspective on what dollar levels you may be speaking of.

MG OFFRINGA. Of the 109 projects we currently have in the 1992 program, 80 of them are affected by the moratorium and most of those would be unable to reach 35 percent design unless we get the exceptions we have asked for.

SOUTHCORE RELOCATION

Mr. HEFNER. With the military actions in Panama last December, do you have a revised timetable for relocating the Southern Command? Has that affected that?

Ms. LIVINGSTONE. The Just Cause operation has not affected the timetable for relocation of SOUTHCOM. As you know, the Panama Canal Treaty sets a very specific time date of 1999 and that is really what is governing our overall time table for implementation of the Panama Canal Treaty and the relocation of the SOUTHCOM.

Mr. HEFNER. I have no further questions, Mr. Coleman?

RED RIVER ARMY DEPOT

Mr. COLEMAN. Thank you, Mr. Chairman. One of my priorities, of course, has always been raising the issue of the Red River Army Depot, issued as the new AOD and selected as one of three sites. We continue to have the problem of authorizing an appropriation and everybody now says we do not want to do it. I do not want to be put in a situation of dragging the military kicking and screaming into building something that we are not going to ever use or we do not need—and if the supply does drop, of course, the question comes to mind, "What about all the other facilities?" Why would we not do what we were going to do at Red River Army Depot? That is, to consolidate and provide a central distribution center modernization like we have not had before?

We have done the cost analysis of that as opposed to conceivably closing others that are out there that are not very efficient, haven't we?

Ms. LIVINGSTONE. As you know, there are currently in the system three Area Oriented Depots. One in Sharpe and one in New Cumberland and then one for Red River. As the Red River area oriented depot project was ready to move forward, there was a cost analysis. It was done on the viability of that project in projected work loads in current time and, quite frankly, the pay back was no longer there given the work load levels. The work load that was projected as being handled by Red River could be absorbed by the other two AODs and still allow multishift mobilization capacity at those sites so the economics, quite frankly, sir, of our analysis did not support three AODs.

Mr. COLEMAN. Have you provided a copy of that economic analysis to the member from that district?

Ms. LIVINGSTONE. Not that I am aware of, sir.

Mr. COLEMAN. Well, I would like to ask for it for this committee, because I think it is an important item for us if we are going to make a decision in this committee about whether we insist on

going forward, or whether we do not. We need to know what the real costs effects are.

For example, supply from Red River Army Depot to a place like Fort Hood seems to me to make sense logistically, economically. On the other hand, if in fact the new troop realignment at Fort Hood changes that dramatically, then we certainly will not want to do that. I can understand, I think, that there are some changes since the time you have done that analysis and you might even consider having some opinions placed in the analysis by people in your staff concerning that. I would hope that those opinions will not be such that we take—whether or not we necessarily have to take a side on the issue—an incorrect position. If so, then we ought to change it, but we ought to do it all right here in the open and on the table so that we do not have difficulties and problems and I would hope that we could do that with Red River.

[The information follows:]

ARMY MILITARY CONSTRUCTION

An economic analysis for cancelling the Red River AOD will be completed 1 November 1990. Workload analyses reflecting workload for fiscal years 1980 through 1989 and forecasts for fiscal years 1990 through 1996 indicate that the experienced and forecasted workloads have not kept pace with the original estimates. This, coupled with projected force downsizing, would further reduce the savings to investment ratio for the proposed Red River distribution center to unaffordable levels. BRAC II downsizes Ft. Hood; therefore, justification for eliminating AOD mission is enhanced.

Mr. HEFNER. How much have you spent on this project, and what is the current status of this project? Is it \$6,000,000?

Ms. LIVINGSTONE. It is \$16,500,000 that was appropriated by Congress. Of this, \$6.2 million was obligated and spent for phase I site work. In phase II, \$8.75 million has been obligated but only \$2.56 million has been spent for upgrading of the electrical substation that was there, utilities and communications.

The question that I asked is whether that funding quite frankly was wasted now if we do not move forward with the AOD project and have been advised those utility upgrades would be required anyway and we now have a suitable site cleared for whatever new backup mission may come into Red River. So in terms of, is that money totally wasted if we do not move forward with the rest of the project, I would advise that the answer is no.

Mr. HEFNER. How much is the total project?

MG OFFRINGA. The total project, in addition to the \$16,500,000, includes \$39,000,000 in FY90 and another \$39,000,000 that has been authorized since the beginning of the program. So the total program is \$78,000,000 plus \$16,500,000.

Mr. HEFNER. So what you are saying is what we have already spent there was money that you would have spent anyway?

Mr. COLEMAN. Only if you had a new mission which has not yet been decided? It has not yet been decided on?

MG OFFRINGA. That is correct. We probably would not have spent the \$6,200,000 to do the site work if we were not going to build something there. The net result is that we now have a buildable site and should a new mission come there it is available for construction. The \$10,000,000 appropriated for phase II that went into

the utility upgrade was something that had to be done at Red River anyway.

Mr. HEFNER. How was that upgraded?

MG OFFRINGA. The upgrade was done last year.

Mr. HEFNER. For \$10,000,000?

MG OFFRINGA. Of the \$10,000,000, utility upgrades actually cost \$1.6 million.

Mr. HEFNER. Had you known that you were going to close it, you would not have done that?

MG OFFRINGA. We are not closing all of Red River. We are just not building the Area Oriented Depot.

Mr. HEFNER. You are just not going to build that?

Mr. COLEMAN. It is not going to be built. It was never authorized nor appropriated.

[The following information is provided for the record to clarify the issue under discussion.]

Three Military Construction, Army (MCA) projects have been appropriated by congress for the Red River Central Distribution Center (\$ Thousands).

	<u>Phase</u>	<u>Appropriation</u>	<u>Authorization</u>
FY88	Phase I	\$ 6,500	\$ 6,500
FY89	Phase II	10,000	88,000
FY90	Phase III	39,000	
	Phase IV	Has not been requested	

The status of the military construction contracts which have been obligated follows (\$ Thousands):

<u>Item</u>	<u>Obligated Amount</u>	<u>Estimated Liability</u>
Phase I Sitework	\$6,200	\$6,200 (Actual)
Phase II Total	8,260	2,560
Steamline	(660)	(660) (Actual)
Substation	(400)	(400) (Actual)
Communications	(1,800)	(600)
Boiler	(0)	(0)
EMCS	(0)	(0)
Facility	(5,400)	(900)
<u>Phase III Facility</u>	<u>0</u>	<u>0</u>
Total	14,460	8,760

Mr. HEFNER. How many people are at Red River? I am looking at how this proposal to realign is going to cost 2000 civilian jobs. How many people are down there? How many jobs are there now? Do you know?

Mr. COLEMAN. We are anticipating about 1000 more or so. I cannot remember the exact numbers, but we had the proposed increase in the number of employees and it was substantial. It is a jobs issue in that part of the state.

Mr. HEFNER. What I am trying to get at is that if we do not do it, do we loose 2000 existing jobs or are we just going to hire 2000 people? That is what I am getting at. I mean are people going to be displaced?

Mr. COLEMAN. Well, I understood that they were there.

MG OFFRINGA. At the Army or civilian?

Mr. COLEMAN. No. Those are jobs that are lost.

MG OFFRINGA. There is a reduction of 600 to 900 civilian jobs.

Mr. COLEMAN. It was a big increase from that number if we had gone ahead with the authorized and appropriated project?

MG OFFRINGA. Yes, sir.

Mr. HEFNER. So what you are saying is that you will have essentially half of the employment you could have had, or about 8000.

Mr. COLEMAN. 8000.

Mr. HEFNER. 8000, okay.

FORT BLISS, TEXAS

Mr. COLEMAN. Well, the only other thing I would ask is that I continue to note that, for the modernization program that I have gone forward with every year I have been on this committee, there is a belief, a strong belief, that recruitment and retention were enhanced immeasurably by our efforts to provide decent living accommodations for our soldiers that are stationed at Fort Bliss. I have some pictures a fellow has been taking out there of some of the changes that have taken place, and I can honestly tell you that I see the difference and I really believe the soldiers do too.

We have gone about this project as you know, one or two barracks modernizations effort at a time. We are about at the end of completing that barracks modernization effort, and I will tell you I think the Army has demanded and received a pretty good job in that regard. We will continue at the Sergeants Major Academy hopefully.

Once again, the Administration asks for zero dollars in military construction funds at Fort Bliss. I have always suspected—and I have said so to both General Infante and now to General Leonetti—that I think somebody in the Pentagon is on to us. They think they do not have to put these numbers down because they know that this guy, a Congressman from El Paso, is going to go and get those funds authorized and appropriated and that way it does not come out of your numbers. It looks like an "add-on," as they like to call it. I call it a legislative prerogative, a decision about what we think is important. We could sure use your help in that regard.

I think some of the facilities you will find at the old Biggs Air Force Base are in dire need of repair and I would like to do the same kind of modernization effort there. In fact, I can propose that

this year to the authorizing committee and the appropriations committees in both the House and Senate.

Again, I would do that strictly because I happen to believe that if we are going to continue to maintain an all volunteer army, even if it is smaller, it is going to be easier for all of us to sit around and say it is going to be smaller, so it is not a problem. Wrong again. The smaller army does not necessarily mean you are going to keep the best and the brightest people. That is only the hope.

After Vietnam, that was the effort. We saw that happen. Those of you that are still in uniform and served during that era, it seems to me, are the kind of people that we wanted to keep in. You have managed to get past all of those RIFs and cuts and the rest and it seems important to me that we understand that. If that is what is going to happen to the services during this time and this era, we want to be sure we do keep the best, but we are not going to be able to keep the best unless and only unless we continue to provide facilities and quality of life for our soldiers and sailors.

The men and women in the services, as far as I am concerned, are deserving of that attention. I am going to continue to put forth an effort because it is in my district, because I am there, because I get to see it, because I get to talk to the soldiers, and get to talk to the commanding officers at these facilities. I find out what they tell me. I can honestly tell you I feel very good about what we have done with barracks modernization. We are even putting in family housing, there, as you know.

So, the budget may say, you are not entitled to that because you compare Fort Bliss with other installations. I disagreed with that. I probably should have done a better job of comparison. I understand we have some real problems. You have pointed them out today as you usually do in talking about family housing issues. But we are going to have to do that. I submit that we keep our vigilance up on issues of that kind, or we are not going to have the best left.

If the services do not keep the best left after we have a draw down or whatever we may have, a cutting, it seems to me that all of us will regret that for a long, long time to come. This build-up occurred during the eighties, whether you agree with or disagree with the amount of money we spent. I think all of us have seen the soldier in uniform turned out to be better.

One of the reasons is because there was confidence that the government was backing up that soldier, and I want to tell you I need your help. When you all meet and talk about issues like barracks modernization, let us keep talking about where we go from here. I mean I know there are other facilities that are in dire need, as with the ones that we have completed at Fort Bliss. But we need to know about those and I just can tell you from talking to the soldiers and to the sergeants and the specialists that live and reside there. I want to tell you, it makes a difference, and I believe we are going to retain many of those soldiers and not waste our investment.

So help me out with that if you will. I am going to do as I say, I am going to go forward again this year. I am going to begin over at old Biggs Army Airfield, as it is called now. We ought to be utilizing that facility for the Sergeants Major Academy and hopefully

all NCO additional training can go forward there in the future if we do consolidation.

MG OFFRINGA. Sir, I wholeheartedly agree with you that the Secretary of Defense's highest priority is the quality of the force and so is the Secretary of the Army's priority. I was at Fort Bliss and went through the barracks on base, and you are absolutely right. We should not have people living in barracks where the quality is less than the standards.

I also went in to a revitalized barracks and I talked to a young company commander who had been there three days, and I asked him as you probably do, do you notice any difference and he said it was like night and day. The attitudes of the soldiers was positive and he said it shows in the training, it shows in the maintenance, and I am sure it will show up in the battalion.

Mr. COLEMAN. Well, General Infante, who just recently departed there and retired from the service, he and I, we re-arranged some of the doors. We went through one of those barracks and they had hung those doors, we thought, wrong. We made the contractor do that right. So all I can tell you is there has been a lot of attention paid by commanders up and down the line about those facilities.

I think we have done a good job. So when I said that the services had done a good job, there was a lot of attention paid by a lot of people that we probably would not have had interested otherwise. But we believe that it is making a difference, as that company commander told you. I think it does. I think you can see it in their performance, so I really appreciate your help on that business over at Biggs.

Ms. LIVINGSTONE. I can assure you both General Offringa and I agree entirely with the strong role the quality of the facilities plays in quality of life and retention of quality people. There will be very, very strong voices in the process on behalf of us supporting budgetary needs for facilities of the Army.

Mr. COLEMAN. Thank you, Mr. Chairman.

Mr. HEFNER. Mr. Lowery?

OVERSEAS BASES—ENVIRONMENTAL RESTORATION

Mr. LOWERY. Thank you, Mr. Chairman. Let me go over a few things for a few seconds. At yesterday's hearing, General Galvin stated he was looking at several proposals for closure. There are going to be any number of environmental concerns on the closing bases. What will the process be environmentally like?

MG OFFRINGA. The process would be accomplished under the Status of Forces Agreements. Actually, the agreement tends to give the United States quite a bit of leverage because the agreement says that the first step in the clearing of any bases is that we establish a residual value which is basically the value of the current installation with improvements minus the condition that it was in when we took it over. Given the amount of money that this committee has approved to be put into facilities overseas for our soldiers, that is a considerable amount of value that would be established.

Against that then is balanced the various claims of the German government for damages or environmental requirements, et cetera.

That is done under the claim statute. An interesting thing is that under the claim statute, the Germans must pay about 25 percent of anything that they claim so there is a disincentive to claim too much.

The residual value and balancing that against the claims for environmental damage and others will be the negotiating position going in. While we do not know totally what those values are, it would appear that the residual value would be significant and would give us a strong bargaining chip when we go into the negotiations.

Those negotiations will be done by the United States forces under the status of forces agreement and will ultimately have to be implemented by the State Department.

Mr. LOWERY. How will we determine whether it is German produced pollution or United States produced?

MG OFFRINGA. That which is on the installation and migrates into the German countryside is the area that is going to be the toughest to determine. Those things that obviously are on the installation itself, we can target as United States' responsibilities.

For the determination of how much of the migration off post, into the water supply, for example, is caused by the United States activities on the installation, we will probably send our toxic hazard experts over there to survey and the Germans will do the same, and the differences will be negotiated.

Mr. LOWERY. Will it be to a standard similar to what we have in the United States? Is it a German standard?

MG OFFRINGA. I am sure that standards will be a major issue. Many German standards actually are higher in this area than the United States standards. I am sure that there will be a strong push on the German side to meet German standards but the agreement governs on that point.

The Executive Order of President fundamentally says that we will adhere to either standard whichever is higher, but I think that will be a negotiating point.

CHILD CARE CENTERS

Mr. LOWERY. Child care centers. I notice there is a significant drop in the number of child care centers. Is that an area that will be targeted too?

MG OFFRINGA. No, sir. That drop actually was caused because the authorizing committee moved forward a number of child development centers from our 91/92 program into the 90 program after it went on the Hill. This left us with three, although we do have four more that we are looking at as third-party candidates so we have actually a total of seven child development centers for FY 91.

Mr. LOWERY. So you have seven on your schedule or are you just going to leave it void?

MG OFFRINGA. No, sir. We have backfilled with 3rd party projects. We did not have the opportunity to do our 1991 original projects because the budget was filled.

FORT ORD

Mr. LOWERY. A specific question on Fort Ord. There is \$7.4 million for a water distribution system.

MG OFFRINGA. Yes, sir.

Mr. LOWERY. With things moving to Fort Lewis, is that project really necessary?

MG OFFRINGA. Yes, sir. We looked at that one very carefully. We have salt water intrusion into the well, so the water supply will eventually be non tenable. The value of the land would be lessened.

Mr. LOWERY. I know a little something about salt water intrusion because during the build-up in World War II, we pumped our walls dry in San Diego and drilled salt water so indeed it is a problem if we did not.

MG OFFRINGA. The work in that project, incidentally, is a regional operation with the city of Marina and other areas.

Mr. LOWERY. So there is plenty of participation from other places?

MG OFFRINGA. As well as the Army. That is our share.

Mr. LOWERY. Plus your share, okay. What is the total project?

MG OFFRINGA. There is \$7.4 million this year. I think there is \$13 million the following year.

Ms. LIVINGSTONE. There is a cost share arrangement as well.

Mr. LOWERY. What is the formula? Do you know what percent?

MG OFFRINGA. I do not have that.

Ms. LIVINGSTONE. It is probably in the file.

[The information follows:]

REGIONAL WATER SYSTEM

Total cost of the Regional Water System and cost sharing between Army and other users:

	Million
a. Fort Ord.....	\$21.2
b. Marina.....	19.6
c. Agriculture.....	44.0
Total.....	84.8

Status of funding from the other sources:

Fort Ord—MCA phase I is \$7.4M in FY91 request. MCA phase II would be for \$13.4M and this amount is unfunded. Some OMA dollars have been spent for EIS/EIR (Env Impact Studies or Reports) and preliminary studies.

City of Marina—Bonds dollars for project. No project dollars yet. Some dollars for EIS/EIR and preliminary studies.

Agriculture—Bureau of Reclamation loan. Monterey County Flood Control District has spent some dollars for EIS/EIR and preliminary studies.

Marina and Agriculture are ready to spend mney, if Fort Ord gets the MCA appropriations approved for Phases I and II.

CHEMICAL DEMILITARIZATION

Mr. LOWERY. Let me ask the following question on the topic of chemical demilitarization. Is the program on schedule for completion in 1997?

Ms. LIVINGSTONE. Most probably not, is the most candid answer at this time. There have been a number of actions that have impinged on the completion of that schedule and we are currently developing revised milestones and hope to get them to Congress either late March or sometime in April.

The types of things that we are applying as we are getting "lessons learned" are such processes as state permitting for RCRA. It is taking longer than we initially anticipated. There also are some "lessons learned" that have come out of our Johnston Island and Tooele Chemical Disposal facilities with respect to the length of time or optimal length of time for systemization testing which has now been increased.

In addition, there was a change in, there was a reduction in the procurement funding for Tooele which is making some impact on the acquisition of equipment. That facility has a domino effect throughout the system so there will be definite impacts on the overall completion schedule. It looks unlikely that we will be able to meet the completion in 1997.

Mr. LOWERY. What do you believe you will meet?

Ms. LIVINGSTONE. At this point, I really cannot give you a good estimate. I would say perhaps an additional year, but we are trying to, rather than to give you an interim schedule, come back with more definitive milestones hopefully within the next month or so.

Mr. LOWERY. What about the status of the site-specific environment assessments?

Ms. LIVINGSTONE. Those we will be proceeding forward in conjunction with the specific projects and I could provide you the schedules if you would like for the specific sites. Again those are impacted by the schedule review that we are doing.

Mr. LOWERY. If you would get back to us in detail for the record it would be helpful.

[Information follows:]

CHEMICAL DEMILITARIZATION PROGRAM

Due to a Congressional decrement to the FY 90 procurement funds for the Chemical Demilitarization Program, increased environmental requirements and the incorporation of lessons learned from the Johnston Atoll Chemical Agent Disposal System (JACADS), it is not possible to meet the 1997 disposal completion deadline. As a result, all program schedules, including those for the site-specific Environmental Impact Statements, are currently being revised, will be completed in April, and provided to you at that time.

Mr. LOWERY. You had a shift from the programming for demilitarization facilities for fiscal 1991. The only one that was the same was Anniston, and you added Tooele and dropped Umatilla?

Ms. LIVINGSTONE. And Pine Bluff.

Mr. LOWERY. And Pine Bluff. What is going on?

Ms. LIVINGSTONE. The situation with Umatilla and Pine Bluff, sir, was basically just budget driven. Both of those projects were scheduled for very late in fiscal 1991. When we were going through the final scrubs on the budget review, it was determined that we could move those awards over into the 1992 budget horizon without impacting significantly on the projects. So they got a push into the next fiscal year.

Mr. LOWERY. And you added \$30 million to Anniston?

Ms. LIVINGSTONE. There was an—

Mr. LOWERY. Thirty-four to sixty-four?

Ms. LIVINGSTONE. Yes. There is an increase in the cost of the Anniston facility. We are dealing with sort of a moving technology here as we are still coming in and getting lessons out of our John-

ston Island facility. The predominant cause for that increase in An-niston is because of the determination for a special on-site container which would help reduce the risks of movement of chemical munitions from igloos actually into the disposal facility and then a handling building which is called a CHUB into which these on-site containers would be moved before they are actually destroyed in a factory. We can get back to you with more on details on that.

I might use this as an opportunity to say that I have been concerned about the preciseness or lack thereof in cost estimating on the chemical disposal program for the facility side of that, and that is something I will get into in quite some degree of detail.

Mr. LOWERY. Do we have to do that in every site or will we just need to prove the methodology?

Ms. LIVINGSTONE. The actual requirement for the on-site containers, some kind of on-site container will be needed at each site. The issue is given the types of munitions, the age of munitions, and the different safety risk factors, what specific on-site container will be required at each. We are currently working through those various risks and looking at various types of on-site container for each type of munition.

CRYOFRACTURE

Mr. LOWERY. Just a final question. What is the status as an alternative method. Is the technology maturing for the appropriate design to construct a full scale cryofracture facility?

Ms. LIVINGSTONE. We are not at that point. As you know, we are moving forward with the funding—I believe it was \$22.4 million dollars was provided by Congress in 1989 and 1990—for testing of a number of functions of cryofracture. On February 6, I met with two gentlemen from General Atomics which was awarded a letter contract in January 1990 which will be finalized with them in April. That testing program should go on for about 16 to 24 months. They believe it will take less time than the upper level 24 months.

Based on the results of that, we will take a look to see if there is a further requirement or need for additional funding for either research and/or production for cryofracture. At this time we are just in the testing phase.

Mr. LOWERY. What is your initial assessment?

Ms. LIVINGSTONE. I have really not been out there to visit the facility and go through and get a feel for the technology. I think we have a very high degree of confidence in the disassembly/incineration process that we are using. Currently it has been tested in some degree of detail, we are just about to go into operational verification testing at our JACADS facility on Johnston Island and we will see more refined data on the usefulness of technology.

I guess from my perspective I am pleased to say we will be moving forward with cryofracture research to see what kinds of potentials we can gain. I think at the end what we will need to do is evaluate whether we can afford to build a new facility given budget resources in any program in terms of having one backup technology to the existing one. We will continue to work on the cryofracture technology, and quite frankly see what potential it has.

Mr. LOWERY. Build it faster and cheaper.

Ms. LIVINGSTONE. Based on the assumption that if it is better, faster and cheaper, than our current technology, given there are slippages that are occurring in program. Quite frankly, there can be incorporation of the design and production of cryofracture technology into, I believe, for four of the facility areas.

Mr. LOWERY. Thank you. I have no further questions for the record, Mr. Chairman.

Mr. HEFNER. I have no further questions. We want to thank you for your excellent presentation to the committee. Thanks so much. The committee stands adjourned.

[CLERK'S NOTE.—Questions for the record submitted by Chairman Hefner.]

CURRENT MISSION VS. NEW MISSION

Question. I note that the percentage of MILCON funds for new missions this year has been reduced considerably. Are we at a point with the Army where new mission requirements will not increase (or possible be reduced), thereby allowing the Army to place more emphasis on revitalization existing facilities?

Answer. The Army's proposed reduction of forces and declining modernization program has contributed to the decrease in Military Construction funds required to support new mission projects. Considering the impact of these cuts, it is expected a trend towards less new mission construction will continue through the program years. Exceptions such as Chemical Demilitarization projects may increase the percentage of new mission if later programmed. For example, in fiscal year 1992, Chemical Demilitarization makes up 83% of the new mission construction. The Army's leadership is committed and recognizes the importance of placing more emphasis on revitalizing current mission facilities. Beyond FY92, projects currently programmed to support new mission account for less than 10% of the Army's construction program.

ARMY'S SHARE OF DMFO BUDGET

Question. The Army got 11 projects in the Defense Medical Facilities request for fiscal year 1991, totaling \$138.65 million—that's 47% of the DMFO program. Is this sufficient to meet your need for medical facilities?

Answer. No. The Army is committed to the goal of modernization or replacing all medical facilities on the basis of a 25-year life cycle. To achieve this goal, \$224 million would be required. Studies by the American Hospital Association show that a medical facility will either require a major utility systems upgrade with selected functional upgrade or total replacement at or near the 25 year mark. Revisions in construction and life safety codes, new technology, changing populations and missions combine to require medical facilities be modernized or replaced on a 25-year cycle.

OVERSEAS BASES

Question. Last week, Deputy Undersecretary Libby told us that we might see an agreement on the major principles for Conventional Forces in Europe as early as this spring, and there might be a CFE treaty in 1991.

When Secretary Cheney submitted his list of military installations identified as candidates for closure last January 29, the Army proposed no foreign base closure through fiscal year 1994.

We realize that the closure candidates were identified without regard to the CFE talks, but it seems clear that the Army is going to close installations in Europe in the very near future. If the Army doesn't propose it, it looks like Congress certainly will.

With events moving as fast as they have in the past year, how can you be sure that overseas projects will still be required in 1991?

Answer. While there are ongoing talks to reduce troop strength in overseas locations such as Europe, Korea, and Japan, there are no plans to eliminate U.S. presence altogether. Soldiers and their families stationed overseas deserve decent living and working conditions just as their counterparts stationed in the United States. Troop reductions will undoubtedly result in the turn back of installations and the consolidation of some units at other locations. This movement may generate requirements for new facilities just as consolidations, as a part of base closures in the United States, have generated construction requirements. The different overseas commands have established their own method of reviewing project lists to insure only valid projects are kept in the program.

In U.S. Army, Europe, for example, the Commander in Chief personally reviews all construction projects for CFE impact with questionable projects being cancelled or deferred pending further validation. Furthermore, the Undersecretary of the Army and the Vice Chief of Staff, Army, have implemented procedures to personally review all overseas projects prior to the award of design or construction contracts.

FACILITIES REVITALIZATION

Question. General Offringa, your presentation once again highlights the Army's Backlog of Maintenance and Repair (BMAR), which is now at about \$3.5 billion. Isn't this primarily an O&M problem, not a MILCON problem?

Answer. BMAR is primarily an O&M problem; however, when facility maintenance and repairs become so extensive that it is more cost effective to build a new facility rather than repair the existing facility it becomes a MILCON problem.

With the exception of Deferred Maintenance and Repair (DMAR) which is funded through the Family Housing Appropriation, Maintenance and repair is only accomplished with O&M, RDTE or AIF funds depending if the installation is O&M funded, RDTE or AIF funded. Only three percent of the Army's bases are RDTE funded, and consist of labs and proving grounds; seven percent are AIF funded and consist of depots; the major portion of bases are O&M funded. However, revitalization of facilities involves a combined effort using both new construction and repair of existing facilities.

Question. Will you be able to reduce this backlog through base structure changes, especially overseas base structure changes?

Answer. The Backlog of Maintenance and Repair (BMAR) will be reduced through the closure of bases in both the United States and overseas. As bases are targeted for closure the validated BMAR at

that base will be removed from the BMAR. Only when a base is closed will any significant BMAR reductions be realized. Reduction in the number of active facilities at a particular base has little impact on BMAR. The exact BMAR reductions, especially for Europe, cannot be determined until the base closures are finalized. However, since over 50 percent of the Army's BMAR is in Europe, there will be a significant reduction to the Army's total BMAR. CONUS base structure changes are not expected to significantly reduce the total Army BMAR.

FORT HOOD, TEXAS

Question. Secretary Cheney's list of installations that are candidates for closure or realignment, dated January 29, 1990, included a proposal to inactivate the 2d Armored Division at Ft. Hood, Texas. Furthermore, Ft. Hood was identified as a location for—and I quote—"backfill by returning CFE forces from Europe." Does this mean that 2d Armored Division would not be inactivated unless Ft. Hood is backfilled by returning troops?

Answer. The declining and evolving Soviet threat and the current fiscal environment make it prudent for the Army to reduce its force structure. To meet the fiscal resource constraints, it is necessary to eliminate force structure in FY90 and FY91. A Ft. Hood Division was the best choice for elimination because it does not foreclose options and allows future flexibility. Stand-down of a modernized heavy division is appropriate to the evolving threat and achieves substantial cost savings in operations, personnel, and equipment acquisition. Sunk costs are not lost at Ft. Hood. Inactivation of a division there does not require base closure and preserves the installation for future use—expansibility. Equipment and space will be available should forces be able to be returned from Europe to backfill Ft. Hood. The backfill may not be possible in the near term. CONUS force structure must be reduced due to fiscal constraints. 2d Armored Division will be inactivated without regard to backfill status.

Question. Is the Army considering keeping the status quo with the 2d AD and disbanding units in Europe? Wouldn't that be cheaper to accomplish?

Answer. Currently tabled CFE cuts reduce US forces in the European Theater to 225,000 with a floor of 195,000 in the Central Region. We hope the treaty enters into force in FY91. This would allow the Army to target reductions in Europe that year and preclude still deeper CONUS cuts. This would save dollars required to backfill units in the outyears. In any case, we do not foresee drawing down any forces from Europe until sometime in FY91. The fundamental issue is the necessity to take large cuts in 1990 and 1991 in order to retain a balanced force and a balanced program. Cuts must be made in CONUS until treaty implementation can be executed.

PANAMA

Question. For the Army's long-range planning purposes, what are the assumptions about our military presence in Panama beyond 1999?

Answer. Provisions of Panama Canal Treaties do not call for U.S. presence in Panama beyond noon, 31 December 1999. Current U.S. Government position is to abide by existing provisions of treaties.

Question. What is the current status of the Panama Canal Treaty Implementation Plan?

Answer. The Department of the Army, designated by the Secretary of Defense as Executive Agent for implementation of Panama Canal Treaties, is providing oversight of the effort to implement the provisions of the Panama Canal Treaties. Designated responsible agencies within the Department of Defense are programming activities to fulfill provisions of the Treaties and to effect the complete withdrawal of all U.S. forces from the Republic of Panama by 31 December 1999.

WARTIME HOST NATION SUPPORT

Question. With all the changes in Eastern Europe, with an imminent unification of Germany, and with a CFE agreement in sight, what is being done to revise our commitment to the Wartime Host Nation Support program to support German reserve forces?

Answer. U.S. continues to fully support the German Wartime Host Nation Support (WHNS) program. This is consistent with President Bush's commitment at the May 89 NATO Summit. In concert with our NATO Allies, the U.S. approved a two year moratorium on unilateral reductions in support for existing NATO agreements. The purpose of the moratorium is to permit the analysis required to determine member nation strategic and operational force structure requirements for the post-CFE period. The objective is to develop the appropriate force structure to ensure NATO collective security. This process allows the orderly evolution of NATO into a post-CFE alliance.

The U.S.-German WHNS agreement represents burdensharing at its best. Germany provides approximately 50,000 reservists in 100 units dedicated solely to the support of U.S. Army forces. The agreement demonstrates U.S. resolve and intent to meet alliance commitments, and has been used worldwide as a burdensharing model. It is an agreement which may become even more important in an environment of reduced forward deployed U.S. force structure.

YONGSAN GARRISON

Question. General Offringa, what is the current status of the relocation of Yongsan Garrison in Seoul?

Answer. Headquarters, United States Forces Korea and the Republic of Korea (ROK) Ministry of National Defense have negotiated a Memorandum of Understanding (MOU) that states the ROK Government will assume all costs associated with relocating U.S. military headquarters and units out of Yongsan. However, the ROK Government has not signed the MOU due to reluctance in assuming all costs. The MOU is currently under review by the ROK Government.

Question. General Offringa, has Korea begun to pay for planning and design work to relocate this mission elsewhere in Korea?

Answer. No. Korea has not begun to pay for planning and design work associated with relocation.

Question. General Offringa, is the whole question of Yongsan tangled up in negotiations of burdensharing and troop withdrawals?

Answer. Not directly. Yongsan relocation is handled as a separate issue. However, the Koreans have pointed out that increased cost-sharing and the required modernization programs needed to offset announced U.S. troop withdrawals will have to be balanced against the funding required for relocation.

Question. General Offringa, is there an agreed-upon time-table for us to vacate Yongsan?

Answer. No. Until an agreement is reached by the ROK Government to assume all costs associated with relocation, no timetable can be established.

Question. General Offringa, the budget request includes \$1.5 million for a flight simulator building at the K-16 airfield at Yongsan, and this building will house a \$25 million attach helicopter flight stimulator. Will this facility be turned over to the Koreans when we leave Yongsan?

Answer. There is a plan to place an APACHE Combat Mission Simulator (CMS) in Korea. K-16 is a co-use ROK/U.S. airbase located southeast of Seoul. K-16 has a structure available which, with upgrading, can be made adequate for housing an APACHE CMS. K-16 is not currently included in the Yongsan relocation plan.

LIGHT INFANTRY DIVISION IN ALASKA

Question. My understanding is that the Light Infantry Division in Alaska is being considered as a possible candidate for deployment for defense of South Korea. How firm are any such plans?

Answer. No. There are no plans calling for the deployment of the 6th Infantry Division (Light) to defend South Korea.

Question. Would utilizing the 6th Division in Alaska for deployment to Southeast Asia require additional military construction or equipment investments?

Answer. No. There are no plans for deploying the 6ID(L) to Southeast Asia.

CHEMICAL DEMILITARIZATION PROGRAM

Question. Describe for the record any lawsuits regarding chemical demilitarization that have been filed against the Army to date, as well as any that you can anticipate.

Answer. To date, no lawsuits have been filed against the Army or the Department of Defense specifically on behalf of the Chemical Demilitarization Program. However, on December 5, 1988, the Foundation on Economic Trends did file a suit against the Department of Defense alleging failure to prepare adequate environmental impact statements for various chemical warfare activities. The suit seeks an injunction to terminate all actions directed to the implementation, acceleration, expansion and continuation of the chemical warfare activities. A motion by the Government to dismiss the case is still pending. At this time, the action does not ad-

versely impact on the execution of the chemical Demilitarization Program.

Although it is extremely difficult to anticipate whether or not legal action will be taken against the Chemical Demilitarization Program, we do know there is opposition to the program in Richmond, Kentucky; Newport, Indiana; and Aberdeen, Maryland. Greepeace has also expressed concern about the disposal of chemical agents and munitions on Johnston Island in the South Pacific.

CHEMICAL WEAPONS STOCKPILE

Question. What's the current assessment of the safety of the weapons stockpile.

Answer. The Department of the Army has a comprehensive surveillance program for the chemical munition stockpile. The main trust of this program is to assess the reliability of the chemical munition stockpile and to assure continued safe storage. Based on the results of this program, the chemical munition stockpile is considered to be safe for continued storage.

All chemical agents in the chemical munition stockpile are between 20 and 42 years old. The majority of the munitions in the chemical stockpile have presented minimal problems during their life cycle. However, there is concern with deterioration of some munitions, most notably M55 rockets. Our current surveillance program has identified rising leaker rates for these items. We will continue to intensely manage the chemical munition stockpile to assure that they are safe for continued storage.

MAINTENANCE FACILITIES

Question. What accounts for the increase in the "maintenance" category of facilities, from 22% of your total program in fiscal year 1990 to 33% of your total program in fiscal year 1991?

Answer. The fiscal year 1991 budget request includes \$76.3 million for three Ammunition Demilitarization Facilities—also referred to as Chemical Demilitarization Facilities. If these projects were excluded, the "maintenance" category would account for 23% of the fiscal year 1991 Budget. By contrast, the fiscal year 1990 budget contained no projects for Chemical Demilitarization.

LONG TERM FACILITIES CONTRACTS (10 USC 2809)

Question. In the budget justifications you list four child development centers as candidates for long-term third party contracts. What is your timetable for completing the life cycle cost analysis to determine whether these facilities can be provided more economically by long-term contracts financed through the Operations and Maintenance account rather than by military construction?

Answer. Initial economic analyses have already been accomplished. These supported the Army's decision to include the four proposed centers as part of the FY 91 budget justification. Following the development of designs and refined cost estimates for the projects, preliminary economic analyses will be prepared. These are expected in the fourth quarter of FY 90. If the analyses continue to support the long-term contracts, requests for proposals will be issued and final economic analyses prepared based on bids re-

ceived. These analyses are expected to be completed in the first quarter of FY 191.

Question. Will these child development centers serve both military and civilian dependents?

Answer. Child development centers constructed by third party contract will serve the children of soldiers and civilian employees.

LEASE-PURCHASE OF FACILITIES

Question. What are the Army's plans for using the new authority provided last year for lease-purchase of facilities?

Answer. The Army has selected three projects authorized for FY 90 for lease-purchase consideration based on need, on economic analyses which indicate the alternatives as competitive when compared to MILCON, and on timing for possible award of a lease within the fiscal year. The Army is currently developing the supporting packages which will support the necessary letters of Congressional notification.

For the five projects authorized for FY 91, the Army plans to select projects as potential candidates shortly. These projects will be reviewed and, as with FY 90, will be selected based on need, on favorable economic comparisons, and on the timing for award of a lease. The successful projects will then be identified in the FY 92 Congressional Budget Submission.

Similarly, it is expected that the subsequent Congressional Budget Submission will identify candidate projects for the five slots authorized for FY 92.

FOREIGN CURRENCY FLUCTUATION

Question. What would it cost to buy out the Army's entire overseas construction program (FY90 and prior) at today's currency exchange rate?

Answer. The Army's overseas construction program would require \$136.1 million to cover foreign currency shortfalls using exchange rates of 1.70 deutsch marks per dollar; 669 won per dollar; and, 133 yen per dollar.

Question. How much of this amount will be needed during fiscal year 1991 to execute the current program?

Answer. Of this amount, an estimated \$74.4 million will be required during fiscal year 1991.

Question. Are you deferring any projects to help pay for currency losses?

Answer. No projects are currently being deferred to help pay for currency because sufficient funds are available from the cancellation of Rheinberg projects and return of expiring or expired fiscal years 1984, 1985, and 1986 appropriations from field operating agencies. Nevertheless, project deferrals may be necessary later in fiscal year 1990 because limited savings that otherwise would be available to cover currency losses may be applied to other unfunded requirements.

GERMAN CURRENCY

Question. What deutsch mark exchange rate was used in formulating the budget?

Answer. The budget was formulated at an exchange rate of 2.03 deutsch marks to the dollar.

Question. Do you have any estimate of the impact that monetary unification in Germany might have on the exchange rate?

Answer. No. With so many potentialities, it is not possible to make useful predictions.

Question. If East marks are converted to West marks at a 1-to-1 exchange rate, what effect would that have on the cost of your construction program in Germany?

Answer. Again, it is too soon to predict. Until the world banking system addresses this issue and until the effect of future summits is known, it is too soon to prognosticate the effect of German unification on the cost of the Army's construction program in Germany.

MORATORIUM ON CONTRACT AWARDS

Question. Isn't the Secretary of Defense's moratorium on construction going to cause problems in program execution? For example, wouldn't you expect that the moratorium might be reflected in the number and quality of bids?

Answer. There is a high potential that delaying bid openings in accordance with the DOD directed construction moratorium will have an adverse impact on the number and quality of bids.

Commercial sector owners plan for late winter/early spring awards in order to optimize construction placement during the spring/summer/fall season. While we've advertised projects, the uncertainty of award reduces contractor interest. The most competitive and experienced contractors may therefore be fully committed to private sector or other than DOD construction work at such time the DOD moratorium is lifted. Therefore, the quality and reduced number of contractors bidding projects combined with their need to upward adjust bids to reflect both inflation to mid-point of construction and additional weather delays for another winter could have a noticeable impact on the cost of construction and ultimately the quality of the funded products.

ACCESS ROADS

Question. What is the current status of the access road projects at the New Cumberland Army Depot and the Tobyhanna Army Depot?

Answer. Project development activity for the proposed new interchange serving New Cumberland Army Depot is on hold at the request of the Pennsylvania Turnpike Commission (PTC). A total of \$5.3M was appropriated in the Fiscal Year 1989 Military Construction Program which represented a 50 percent Department of the Army contribution for construction of the project. The PTC completed a Traffic and Toll Revenue Study that concludes that the probable revenue generated by the proposed interchange will not offset the costs of construction and operation. The PTC reports that they will proceed with the project only if 100 percent of the construction funding is provided by the Department of the Army. PTC has been silent about who would be responsible for the projected yearly operating deficit identified from \$125,000 in 1995 to \$470,000 in 2015 (the Army has no way of funding the PTC toll operational

costs). The preliminary cost estimated for construction of the PTC interchange is \$10.6M. A concurrent on-installation road construction project is required, estimated to cost a minimum of \$0.9M if no environmental problems are encountered. The Department of the Army does not support this project with Army funding.

The Pennsylvania Department of Transportation (PADOT) is approximately 35 percent complete with the final design of a proposed public highway project to serve the Tobyhanna Army Depot. The project is currently scheduled for construction contract award in December 1990 (if funds become available). The proposed highway improvement project includes: a second lane added to the I-380 southbound off ramp; a second lane to the northbound I-380 on ramp; the widening of the connector road to three lanes from the Depot Gate to a railroad underpass and then to four lanes to Township Road 611; and intersection reconstruction of the connector road with Township Road 611. A total of \$3.2M was appropriated in the Fiscal Year 1990 Military Construction Program with obligation of the funds contingent upon certification required of the Defense Access Road Program (DARP). It has been determined that the proposed project is the funding responsibility of the PADOT and is ineligible for the DARP. Therefore, certification action has not occurred and Congressional Authorization has not been requested.

Question. The budget includes \$3 million to upgrade access roads at Fort Belvoir. How does this relate to possible third-party development of the engineer proving grounds?

Answer. Current funding in the budget is for the upgrade of access roads for north post backfill and realignment on Fort Belvoir. This has no relationship to third-party development of the engineer proving ground. The private developer of the engineer proving ground area will be responsible for providing any required public highway improvements.

BIDDING EXPERIENCE

Question. What is the recent trend in the number of bidders per contract and in the relationship between the actual cost estimate presented to the Committee compared with the actual amount of the contract award?

Answer. Currently, the average number of bids received per contract for Military Construction, Army (MCA) projects during fiscal year 1990 is seven. Bids are averaging 94 percent of the Congressional Program Amount.

Question. Are there any patterns of differences in bid experience in different locations?

Answer. Historical bid data reflects slightly lower bid results received in Germany and Japan than from continental USA projects, regardless of number of bids received per contract. Likewise, the states of New York, New Jersey and Virginia have consistently received higher than average bids over the last five years.

Question. Has bid experience remained relatively constant over the past several years, or has it gotten better or worse?

Answer. Historical data reflects a gradual decrease in the average number of bids received per contract, with a fluctuating Cur-

rent Working Estimate (CWE) to Program Amount (PA) ratio, as shown below:

	Average number bids per contract	CWE/PA percent
Fiscal year:		
1985.....	9	84
1986.....	8	94
1987.....	8	92
1988.....	7	90
1989.....	7	93
1990.....	7	94

(Note: FY 86 CWE/Gramm-Rudman-Hollings, Program Amount.)

Fiscal year 1990 results contain only 11 projects, therefore, we cannot confirm that the ratio presented will remain throughout the year.

PARAMETRIC DESIGN

Question. The Air Force is very interested in pursuing parametric design of facilities. What advantages and disadvantages do you see in this approach?

Answer. The potential advantages are 1) Conservation of design funds by minimizing design phases and false starts, 2) Reduction in design breakage by avoiding the start/stop usually encountered at the requirement of 35% design stage, 3) Reduction in lost design effort, 4) Compressing design time frames and 5) Providing longer time for identification of user criteria. The disadvantages are 1) The parametric design estimating can be accurately developed only for facilities similar to the historical facilities in the database and 2) Parametric cost estimates for exterior utilizes and site work may not be as detailed and accurate as they are developed in the 35% design stage.

Question. The Air Force is performing parametric design in-house. How does that affect the Corps of Engineers?

Answer. The Air Force has authorized the use of parametric cost estimating (PCE) system on the FY92 program in lieu of the 35% design estimate. The current PCE system has only been fielded to the Air Force Headquarters and Major Commands, and is not fully used by all of their users. Full implementation of the PCE system requires an extensive training program and improvements in the system's software/hardware. The U.S. Army Corps of Engineers supports the Air Force in their initiative. However, at this time it is agreed that the Corps will continue to provide cost estimates generated by the Corps computerized estimating system, at the project definition or concept phase to the Air Force design managers as the Corps has done in the past. It will be the responsibility of the Air Force to develop corresponding parametric estimates on selected projects for evaluation and validation of the Corps cost estimates.

TURNKEY PROCEDURES

Question. What projects did you execute during fiscal year 1989 using one-step turnkey procedures, and what are your plans for 1990 and 1991?

Answer. The following projects were executed during fiscal year 1989 using one-step turnkey procedures:

Location	Description	Program amount (thousand)
Ft Rucker, AL.....	Service Member Chapel	\$6,900
Ft Lewis, WA.....	Special Needs School.....	10,000

Our proposed plans for fiscal year 1990 are as follows:

Location	Description	Program amount (thousand)
Ft Bragg, NC.....	Special Operations Command Headquarters	\$21,100
Ft Polk, LA.....	General Purpose Warehouses.....	12,600

Plans for one-step turnkey procurement have not yet been developed for fiscal year 1991.

PROJECTS NO LONGER REQUIRED

Question. Are there any projects requested in the budget that cannot or will not be put under contract in fiscal year 1991, due to base closure, bilateral or multilateral negotiations, or other reasons? If so, please provide a list of such projects (including family housing improvement projects).

Answer. Only two projects in the fiscal year 1991 budget are affected by recent changes or possible base closure actions. The Ready Building requested for Border Camp May, Grafenwoehr, Germany, is no longer required due to recent events in Europe. The family housing improvement project at Fort Ord, California, will not be required if the proposal for closure of Fort Ord is finalized.

LOST AND BROKEN DESIGN

Question. What project designs were lost or broken in fiscal year 1989?

Answer. Lost design is defined as the total amount of design work which has been accomplished but which must be scrapped and redone. It is reported in the year it is scrapped even if the design was originally done in a prior year. Following is a listing of projects which incurred lost effort during fiscal year 1989:

Installation	Description	Lost design (thousand)
Argyroupolis GR.....	Mod Ext Bldg.....	\$7
Bad Kissingen GE.....	Fac Mod Ph I.....	67
Boeblingen GE.....	Child Dev Center	2

Installation	Description	Lost design (thousand)
Crailsheim GE	Maint Fac	81
Darmstadt GE	Fac Mod Ph I	202
Erlangen GE	Fac Mod	18
Fishbach GE	Emergency Defueling	10
Frankfurt GE	USACID Mod/Addn	12
Friedberg GE	Tnk Plt Btl Rn	27
Gelnhausen GE	Washrack	84
Gelnhausen GE	Fac Ph III	21
Gelnhausen GE	Fac Mod Ph IV	48
Giebelstadt GE	Chapel/Community Ctr	10
Giessen GE	Veh Maint Shop	196
Grafenwoehr GE	Mod Range 201	281
Hanau GE	Rotary Wing Pkg	73
Hanau GE	Rotary Wing Pkg	68
Hanau GE	Org Veh Parking	176
Hanau GE	Child Dev Center	2
Hanau GE	Veh Maint Shop	8
Heilbronn GE	Barracks	69
Heilbronn GE	LRSP IV Pkg 8	13
Hohenfels GE	Veh Maint Comp	115
Hohenfels GE	Add/Alter Lib	3
Kaiserslautern GE	Exercise Fac	268
Karlsruhe GE	Fac Mod Ph II	26
Kirchgoens GE	Fac Mod Ph II	32
Landstuhl GE	Aircraft Maint Hangar	62
Mannheim GE	Fac Mod Ph III	29
Muenst-Dieb GE	Ammo Igloo Ph II	26
Pervolaki GR	Mod Ext Bldgs	7
Regen GE	Ready Bldg	7
Rheinberg GE	Commo Fac Conv	30
Rheinberg GE	Commo Ctr Conv	10
Rheinberg GE	Commo Ctr Conv	3
Rheinberg GE	ADP Spt Fac	5
Schweinfurt GE	Fac Mod Ph III	41
Vilseck GE	Commo Admin Bldg	12
Ft Hood TX	Battle Simulator	138
Vilseck GE	Fin/RPC Conv	3
Vilseck GE	Prov Marshal Optns	33
Wildflecken GE	Range 23 Upgrade	38
Ft Leonard Wood MO	CIDC Field Optns Bldg	60
Ft Leonard Wood MO	Record Fire Range	87
Ft Riley KS	MOUT	51
Ft Riley KS	Tac Equip Shop	738
Ft Carson CO	Auto Record Fire Rg	18
Aberdeen PG MD	Met Wk Train Fac	111
Ft Indiantown Gap PA	Phy Fit Ctr	5
Ft Drum NY	Acft Fuel Fac	17
Ft Drum NY	Acft Pkg Apron	45
Ft Drum NY	AF Ops Bldg	186
Ft Drum NY	Aircraft Hangars	42
Ft Drum NY	Airfield Pkg	561
Ft Drum NY	Battle Simulator	2
Ft Drum NY	Cent Wash Fac	12
Ft Drum NY	Consol Pst Supt	47
Ft Drum NY	Div Cmd&Ctrd Hd	71
Ft Drum NY	FE Lbr/Pipeshed	6
Ft Drum NY	FE Storehouse	22
Ft Drum NY	Fire Tnr	5
Ft Drum NY	Gen Purp Whse	25
Ft Drum NY	Post Safety & Law	7
Ft Drum NY	SEBQ	10
Ft Drum NY	Transp Warehouse	2
Ft Drum NY	Unit Chapel	11
Ft Monmouth NJ	Cntr sys Fac Ad	66

Installation	Description	Lost design (thousand)
Picatinny Arsenal NJ	Arm Tech Lab	177
USMA NY	Eisenhower Hall	100
USMA NY	One Stop Center	80
Seneca AD NY	Fire Station	48
Ft Lee VA	Child Dev Ctr	38
Ft Pickett VA	Multi Purp Rnge	109
CRREL NH	Child Dev Ctr	35
Ft Richardson AK	ADP Building	4
Ft Richardson AK	Bn HQ Bldg	12
Ft Wainwright AK	Bn HQ Bldg	9
Ft Wainwright AK	Consol Fuel Fac	11
Ft Wainwright AK	Flight Sim Bldg	5
Ft Wainwright AK	Maint Fac Ph II	41
Ft Lewis WA	MOUT Range	14
Ft Lewis WA	Energy Conservation	104
Ft Ben Harrison IN	Learn Res Ctr	35
Ft Campbell KY	AVU Hangar-UH60	93
Ft Campbell KY	Med Sup WH-PWRS	30
Ft Campbell KY	Phy Fit Ctr	102
Ft Campbell KY	Rec Fire Range	12
Ft Campbell KY	Unit Chapel	50
Ft Campbell KY	Veh Maint Fac	222
Ft Campbell KY	Veh Maint SH DS	40
Ft Knox KY	AFF Range	17
Ft Knox KY	Din Fac Mod (3)	6
Ft Knox KY	Phy Fit Ctr	36
Price Spt CT	Chapel Child Dev Ctr	27
Savanna AD GA	A/C Bldg 134	8
Savanna AD GA	Func Test Range	17
Savanna AD GA	Trans Test Fac	7
Cp Page KO	UOPH	30
Cp Henry KO	Child Dev Ctr	53
Cp Stanley KO	Bde/Bn HQ Bldg	5
Cp Stanley KO	Munitions Storage	71
Ft Shafter HI	WWMCS Fac FS	137
Hawaii	NCO Academy	110
Hawaii	Power Upgrade	17
Kwajalein	200 PH Upgrade	1
Kwajalein	Desalinization	46
Kwajalein	Dry Dock Fac	605
Kwajalein	FPQ-19 TX Bldg	8
Kwajalein	Modern UPH B704	8
Kwajalein	Multi-Stat Bldg	5
Kwajalein	MUX Equip Bldgs	24
Schofield Bks HI	MOUT Range	51
Tripler GH HI	Hosp Add/Alt Pk3	833
Kwajalein	Phot Lab Water	3
Anniston AD AL	M1 Eng Rebuild	22
Anniston AD AL	Mun Demil Fac	1
Ft Rucker AL	Child Spt Ctr	352
Ft Rucker AL	Fit Sim AVCAIT	98
Honduras	Troop Spt Fac	6
Honduras	Update Fac S-5	12
Howard AFB, Panama	A/C Park Ext	40
Redstone Arsenal AL	Dirac Energy	103
Redstone Arsenal AL	Sys Engr Lab	132
Redstone Arsenal AL	Test Fac Mod	71
Ft Benning GA	Rec Ctr Sand H1	3
Ft Bragg NC	Bn HQ Bldg	46
Ft Bragg NC	IRETS Range	13
Ft Stewart GA	MOUT Facility	45
Dugway PG UT	Ditto Secur Office	861
Ft Huachuca AZ	Enl Bk w/o Din	7
Ft Huachuca AZ	Fire Station	24

Installation	Description	Lost design (thousand)
Ft Ord CA.....	Record Fire Range.....	113
Presidio SF CA.....	Enl Bk w/o Din.....	132
Red River AD TX.....	CDC Incr I.....	1,204
Tooele AD UT.....	Consol Maint Fac.....	296
Tooele Ad UT.....	Mun Demil Fac.....	37
Yuma PG AZ.....	Air Cargo Test.....	111
Ft Bliss TX.....	Ammo Sup Pnt.....	86
Ft Bliss TX.....	Barracks Mod.....	70
Ft Bliss TX.....	Enl Bks w/DAS.....	30
Ft Bliss TX.....	Phy Fit Ctr.....	3
Ft Bliss TX.....	Tac Eq Shop Org.....	10
Ft Hood TX.....	CC-OPS & Supply.....	54
Ft Hood TX.....	Acft Maint Fac.....	54
Ft Hood TX.....	Bn HQS PAT AEB.....	188
Ft Hood TX.....	Child Spt Ctr.....	48
Ft Hood TX.....	Hardwire Ranges.....	5
Ft Hood TX.....	PAT/AEB Tac.....	68
Ft Hood TX.....	Provost Marsh Office.....	32
Ft Hood TX.....	Renov Fac.....	2
Ft Hood TX.....	Range Control Fac.....	64
Ft Hood TX.....	Tac Equip Shop.....	1
Ft Polk LA.....	Auto Record Fire.....	19
Ft Polk LA.....	Bn HQ/Classroom.....	2
Ft Polk LA.....	Erosion Control.....	24
Ft Sam Houston TX.....	Child Dev Ctr.....	18
Red River Ad TX.....	Ammo Sec Upgrade.....	24
Red River AD TX.....	CDC Boiler.....	83
Red River AD TX.....	Weather Bldg.....	47
Pine Bluff Ars AR.....	Bin Ph II IDS.....	23
Pine Bluff Ars AR.....	CBR Production.....	17
Pine Bluff Ars AR.....	Elect Substation.....	19
Ft Sill OK.....	ATC Unit Chapel.....	13
Ft Sill OK.....	Auto Trng Fire.....	34
Ft Sill OK.....	DS/GS Maint Complx.....	39
Ft Sill OK.....	Multipurpose Ranges.....	9
McAlester OK.....	Ammo Surv Fac.....	18
Total.....		12,849

Design breakage occurs when design funds have been obligated against projects that will not be acquired. When the Annual Report to Congress was submitted, we erroneously included \$1,387,000 worth of breakage as Army funded which were Air Force projects. Following is a list of projects for which breakage was incurred on Army projects, with the new total of \$4,990,000:

Installation	Description	Breakage (thousand)
Elevisis GR.....	Barracks w/Dining.....	\$1
Germany, VAR GE.....	W H N S.....	3
Heilbron GE.....	LRSP IV Alarm.....	20
Heilbronn GE.....	LRSP IV Alarm.....	99
Heilbronn GE.....	LRSP IV Alarm.....	8
Lehmgrube GE.....	LRSP IV Alarm.....	83
Mutlangen GE.....	LRSP IV Alarm.....	86
Neu Ulm GE.....	LRSP IV Alarm.....	24
Regen GE.....	Ammo Storage Pad.....	36
Rheinberg GE.....	Veh Maint Shops.....	52
Schweinfurt GE.....	Child Dev Center.....	15
Weilerbach GE.....	LRSP IV Alarm.....	139

Installation	Description	Breakage (thousand)
Germersheim GE.....	Power Supply Esdam.....	36
Kaiserslautern GE.....	Open Storage Other.....	46
Tooele AD, Utah.....	Munitions Demil Fac.....	596
Tooele AD Utah.....	Munitions Demil Fac.....	169
Ft Leavenworth KS.....	Batt Field.....	7
Ft Ritchie MD.....	ADM Structure Mod.....	123
Aberdeen PG MD.....	ADP Annex.....	104
Ft Drum NY.....	War Res M S W.....	67
Ft Drum NY.....	Wtr Treat Plt.....	41
Ft Drum NY.....	Water Well.....	588
Ft Drum NY.....	Stg/Maint Fac.....	157
Ft Drum NY.....	Water Well.....	794
Ft Drum NY.....	Enl Barracks.....	523
Ft Drum NY.....	Dinning Facility.....	190
Ft Dix NJ.....	Driver Training Fac.....	102
Ft Lewis WA.....	Bn Cmd & Control.....	37
Ft Lewis WA.....	Co O&S MLRS.....	152
Ft Lewis WA.....	Ops/Supply.....	2
Ft Lewis WA.....	Din Fac Mod.....	38
Ft Knox KY.....	EMCS Ext-ECIP.....	62
Japan.....	Med Mob Complex.....	138
Ft Kobbe Panama.....	Imagery Fac.....	361
Ft Benning GA.....	Glazd WDS Wstrip.....	91
Total.....		4,990

DESIGN LEVEL

Question. Are there any fiscal year 1991 projects that are not at the 35% design level.

Answer. The fiscal year 1991 budget request contained seven projects not at 35 percent design complete:

[In thousands]

Location	Description	Program amount	Current estimate
Anniston, AL.....	Chemical munition maintenance facility.....	\$10,200	\$10,200
This project is required to provide essential supporting facilities to the Anniston Ammunition Demilitarization Facility.			
Ft. Benning, GA.....	Indoor firing range.....	2,930	2,200
This project is 35 percent designed as of March 1990 and will be ready for award in fiscal year 1991.			
Ft. Leo Wood, MO.....	Applied instruction facility.....	900	900
This project is conjunctively funded with a base closure project and is necessary to continue base closure actions at Fort Leonard Wood. The project, as of March 1990, is 30 percent designed and concept review will be complete in mid-May 1990.			
Ft. Drum, NY.....	General instruction building.....	608	590
This project was a late edition to the fiscal year 1991 budget and due to the MILCON award moratorium has been delayed in design. It is anticipated that a construction contract will be awarded by mid-1991. The building is not complex and cost changes are not anticipated.			
Tooele, AD, UT.....	Chemical munition maintenance & recon.....	11,800	11,800
This project provides essential supporting facilities to the Tooele Ammunition Demilitarization facility currently under construction. As of March 1990, it was 20 percent design complete with concept submittal scheduled in June 1990.			
Ft. Lee, VA.....	Food service training facility.....	520	520

[In thousands]

Location	Description	Program amount	Current estimate
This project is conjunctively funded with a base closure project and is required to continue base closure actions at Fort Lee. Concept design as achieved March 1990.			
Grafenwoehr, Germany	Asphalt Tank Trail	1,630	1,630

This project is a cost savings Productivity Investment Funding (PIF) project which was added late in the budget process. The nature of the project is simplistic and cost increases are unlikely. The project is now being designed in-house and construction award is projected for mid-1991.

FUNDED POSITION

Question. What is the Army's current funded position?

Answer. Assuming that all approved projects are awarded and if the German deutsche mark (DM) rate averages at 1.70 DM/\$ the Army would need an additional \$254 million. The summary below provides an accounting of current and prior year Army Construction Programs.

MAJOR CONSTRUCTION

[In thousands of dollars]

Fiscal year	Appropriation ¹	Unobligated at end of February 1990	Unawarded projects and unawarded portions of projects	Required to complete awarded projects	Credit (+) or shortfall (-) ²
1990	768,732	736,850	758,583	12,848	- 34,581
1989	1,065,471	185,602	137,948	149,722	- 102,068
1988	1,142,283	113,555	71,767	72,253	- 13,465
1987	1,137,339	34,080	1,127	73,136	- 40,183
1986	1,297,955	29,980	560	76,086	- 46,666
Total					- 253,963

¹ Adjusted for Gramm-Rudman-Hollings reduction, rescissions and transfers to the Foreign Currency Fluctuation Construction, Defense Account.

² Totals include funding requirement to offset losses due to foreign currency fluctuation in Germany at 1.70 DM/\$ level.

PACKAGING

Question. What projects did you package during fiscal year 1989, and what are your plans for 1990 and 1991.

Answer. During fiscal year 1989, the following MCA projects were packaged:

[In thousands of dollars]

Location	Description	PA
Kwajalein	Radar control facility	720
Do	Multi-static measurement system facility	890
Do	Upgrade water storage system	1,500
Do	Transmitter building	650
Do	Communications equipment building	530

Our actual and proposed plans for fiscal year 1990 are as follows:

Ft Drum, NY	Hangar and parking apron	22,000
Do	Aircraft fuel facilities	3,400

(In thousands of dollars)

Location	Description	PA
Do.....	Aircraft hangars.....	31,000
Do.....	Airfield operations facilities.....	14,200
Do.....	Hazardous waste storage.....	270
Do.....	Pesticide control building.....	310
Packaging plans for fiscal year 1991 are not yet fully developed. Following is a listing of planned packaging to date:		
Greece.....	Barracks Modification.....	660
Do.....	do.....	660

FORT LEAVENWORTH, KS

Question. The budget request includes \$34 million for a general instruction building at the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas. What is the reason for the projected 61% increase in student population at the college?

Answer. An increase at Fort Leavenworth has resulted from increasing the size of the Command and General Staff Officers' Course from 960 in the graduating class of 1989 to 1280 who will graduate in the class of 1991. This expansion resulted from documented Army requirements to increase the number of resident intermediate command and staff college students; the loss of nearly 200 Army seats when the Armed Forces Staff College was restructured to teach Phase II of Joint Professional Military Education; and the requirement for Army to increase from 64 Other Service officers graduating from the class of 1989 to 160 Other Service officers projected to attend in 1991 and beyond. The increase in the number of Other Service officers attending the Army's Command and General Staff College is required to meet Joint Chiefs of Staff plan for implementing Title IV certification of the services' joint education programs. The student population of the two other primary courses at Fort Leavenworth, the Combined Arms and Services Staff School and the Battalion and Brigade command designee Pre Command Course, have remained stable at approximately 4000 and 840 students annually.

Question. Does the lack of this facility put accreditation at risk?

Answer. The lack of this facility will not put accreditation at risk. However, not building the facility will require the college to continue using leased trailers for the Combined Arms and Services Staff School; to lease inadequate off post facilities for other college functions; and prevent adopting more modern teaching methodology in the college. The new facility is also required for an adequate Combined Arms Research Library that will support study and research by students and faculty.

Question. Why is accreditation important?

Answer. Accreditation is important because the college awards a Masters of Military Arts (MMAS) degree. Without accreditation, the academic efforts of students in the Command and General Staff Officers' Course would not receive proper recognition.

BASE CLOSURE

Question. Provide for the record a list of those projects appropriated in fiscal year 1990 and earlier, but not yet executed, at locations announced as candidates for realignment or closure. Are these projects being deferred, pending decisions on closures?

Answer. The following unexecuted projects are being deferred pending final decision on proposed base closures and realignments:

Fiscal year 1990 and location	Description
Fort Ord, CA.....	Automated Record Fire Range.
Sacramento AD, CA.....	Microwave/Radar Maintenance Facility.
Fort McClellan, AL.....	Applied Instructional Facility.
Red River AD, Tx.....	Central Distribution Center.

SHORT TERM LEASING PROGRAM

Question. With the reduction in force in Europe, it seems the Army did one smart thing—that is entered into a short term leasing program for housing rather than build new housing, where costs would not be recouped. Would you care to elaborate on that leasing program.

Answer. Under the Government Rental Housing Program (GRHP), the US Government leases individual housing units for soldiers and their families and pays all expenses normally borne for government leased housing (rent, utilities, maintenance, and services). In exchange, the soldier forfeits BAQ and OHA. Soldier participation is voluntary, and participants must agree to reside in selected housing for the duration of their tour. The GRHP objectives are to provide more housing with amenities comparable to on-post quarters, eliminate "up-front" initial occupancy costs to soldiers, increase concurrent travel opportunities, and reduce Temporary Lodging Allowance payments (soldiers housed sooner). The military community contracts directly with the landlord, handles all claims with the landlord and recoups any charges for damages from the soldier. The lease is terminated upon completion of the soldiers tour of duty, at which time many landlords opt to lease to another soldier under the same GRHP procedures.

Current status of GRHP program: During the first quarter of FY 1990, 941 GRHP units were leased. The goal is to lease 7,000 units in FY 90 for a total of 10,100 units.

FORT DRUM, NEW YORK

Question. What is the status of Fort Drum? Can we expect a request for additional funds to pay any possible requests for adjustments?

Answer. The Fort Drum construction is progressing satisfactorily toward its scheduled completion in Jan. 1991.

To date, there have been approximately 138 requests for adjustment totaling approximately \$166 million submitted by the prime contractor for the Fort Drum project. At present, the Corps of Engineers has agreed to use alternate dispute resolution (ADR) procedures for 30 of those requests totaling approximately \$12 million.

The Corps has settled 36 requests totaling approximately \$6 million. The remaining requests totaling approximately \$146 million are in various stages of review.

One of the requests for adjustment submitted by the contractor is for \$113 million. However, this request is *not* one of the ones for which the Corps has agreed to use ADR. After review by the Corps, the contracting officer advised the contractor that the request did not contain sufficient information for the contracting officer to make an evaluation. The contractor was asked to resubmit the request. The contractor resubmitted part of it already, and we expect he will resubmit the remainder, as well.

In addition, since the contracts have not been completed, it is anticipated that additional requests for adjustment will be submitted.

[CLERK'S NOTE.—End of questions submitted by Chairman Hefner.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Kolbe.]

SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM

Question. I have been contacted by concerned contractors in Arizona on the implementation of section 1207 of the FY 1987 DOD Authorization Act. This section is called the Small Business Competitiveness Demonstration Project and relates to contracting in four major areas: construction, refuse collection, architectural and engineering services and non-nuclear ship repair. One reason for this program was to determine whether small businesses in four specific categories could compete successfully without relying on set asides. In January 1989 the DOD expanded eligibility for this program to include all contracts from \$5,000 to \$2 million.

Non-minority contractors, including construction contractors, have brought me some compelling statistics to show they have been shut out of the contracting process at Ft. Huachuca with virtually all contracts in the last two years going to minority businesses. While I support active small business participation in contracting, I'm concerned Ft. Huachuca, or the Army, may be incorrectly interpreting the law and making it impossible for non-minority businesses to actively compete. My interpretation of the law is that it was meant to open bidding to more contractors, not restrict it.

I have not received complaints about any of the other bases in Arizona interpreting the law in this way and cutting out non-minority businesses. I would like you to gather some information on Ft. Huachuca's implementation of this law as contrasted to other Army posts.

How are you measuring the effectiveness of the Small Business Competitiveness Demonstration Project? The contracts are not the result of open competition and, therefore, the data will not reflect the value of using small contractors or their ability to compete.

Answer. The Small Business Competitiveness Demonstration Program, established under Title VII of P.L. 100-656, does require the use of full and open competition for acquisition in four designated industry groups (DIGS) with two exceptions: (1) acquisitions less than \$25,000 or such dollar amount (currently \$25,000) established by the Office of Federal Procurement Policy (OFPP) as an

emerging small business reserve and (2) procurements placed under Section 8(a) of the Small Business Act or set asides under Section 1207, Contract Goal for Minorities, of the FY 1987 DoD Authorization Act. The Competitiveness Demonstration Program is monitored to determine whether the statutory prohibition on use of small business set asides should be lifted consistent with the statutory requirement to reinstate the small business set aside if small businesses fail to obtain 40% of the dollar value of contracts awarded in each industry group. Monitoring of the program is conducted in accordance with guidance established by OFPP pursuant to Section 715(b) of P.L. 100-656. This policy directive is binding on all participating agencies and specifically states that "All prime contract awards to small business, including awards under Section 8(A) of the Small Business Act, Section 1207 of the FY87 National Defense Authorization Act and sole source awards count toward the (40%) goal". As you suggest, a truer picture of the ability of small firms to compete in open competition may result if these type awards were excluded from the evaluation. However, even when awards made to SDBs through the 8(a) and the 1207 programs are excluded, Army-wide awards to small business firms under the demonstration program continue to far exceed 40% as shown below:

[Dollars in millions]

	U.S. business	Small business	Percent
Army awards under the demonstration program.....	\$217	186.5M	(85.9)
Awards via 8(a) and 1207 set aside.....	-23.0	-23.0	.....
Total excluding 8(a) and 1207 set aside.....	194.0	163.5M	(84.3)

Question. Broken down by each fiscal year, how many contracts have been awarded to non-SDB's in the four areas covered by the demonstration project since its implementation? How many dollars do these contracts represent?

Answer. The Small Business Competitiveness Demonstration Program did not begin until 1 January 1989 and is monitored by quarter on a 12 month basis beginning with Calendar Year 1989 rather than a fiscal year basis. Data covering awards made under the program (that is, awards based on solicitations issued on or after 1 January 1989 in the four designated industry groups) is shown below. The data covers awards made under the program to U.S. business, small business including small disadvantaged business (SDB), and awards to SDBS under Section 8(a) or 1207 SDB set asides.

U.S. ARMY AWARDS COVERED BY SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM DESIGNATED INDUSTRY GROUPS

[January 1989 through December 1989—dollar amounts in millions]

DIG	U.S. business	Actions	Small business	Actions	8(a)/SDB set aside	Actions
Construction excluding dredging.....	\$124.1	871	\$815.0	833	\$22.7	48
Architectual and engineering.....	2.1	20	.9	13	None	.....
Refuse systems and services.....	.8	16	.6M	13	.3	1
Nonnuclear ship repair.....	None	.....	None	.....	None	.....
Total.....	217.0	907	186.5M	859	23.0M	49

Question. How does Ft. Huachuca contrast to other Army posts in awarding these contracts to SDB's and non-SDB's?

Answer. Official data indicates that Ft. Huachuca has not made any awards under the Small Business Competitiveness Demonstration Program. In order to provide a point of reference however, the following statistical data for awards made by Ft. Huachuca during fiscal year 1989 under the four designated industry groups is provided.

FORT HUACHUCA AWARDS IN THE DESIGNATED INDUSTRY GROUPS

[Fiscal year 1989—dollars amounts in millions]

DIG	U.S. business	Actions	Small business	Actions	8(a)/SDB set aside	Actions
Construction excluding dredging.....	\$6.017	43	\$5.319	41	\$3.397	17
Architectual and engineering.....	— .023	4	.058	2	None	.....
Refuse systems and services.....	.418	4	.418	4	None	.....
Nonnuclear ship repair.....	None	.....	None	.....	None	.....
Total.....	6.412	51	5.795	47	3.397	17

A breakdown of data on a post-by-post basis is not currently available. A comparison of Ft. Huachuca's overall awards via the 8(a) program and 1207 SDB set aside in the designated industry categories with the Army-wide data under the demonstration program indicates that Ft. Huachuca is above the overall Army-wide average for awards to minority firms under these preference programs (53.0% versus 10.6%, respectively). This may be the result of differences in available projects and the availability of eligible firms within different geographic locations. A state-by-state comparison is provided in response to another question and should, to some extent, provide information similar to that which would result from a post-by-post comparison.

Question. In areas of the country with more minority and disadvantaged contractors, are non-SDB and non-8A companies shut out of the process? Please supply me with regional or state-by-state comparisons of how Army posts are able to implement this program.

Answer. Information on the proportion of SDB to non-SDB and non-8(a) firms in the four designated industries in the various parts of the nation are not available. As previously indicated, P.L 100-656, Title VII, specifically provides an exemption to the require-

ment for full and open competition for awards under the 8(a) Program or Section 1207 of P.L. 99-661. Where there is a higher percentage of minority firms, there is also an increased potential for awards to eligible 8(a) firms or for an affirmative determination that competition can be obtained under the Section 1207 SDB set aside. To the extent these circumstances exist, competition involving non-minority firms may be impacted. A state-by-state comparison of the total awards made under the Small Business Competitiveness Demonstration Program is shown below. Note that for certain states, no awards under the Small Business Competitiveness Demonstration Program have been reported and these states are therefore not shown.

**U.S. ARMY AWARDS COVERED BY SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM
DESIGNATED INDUSTRY GROUPS**

[January 1989 through December 1989; state-by-state comparison—dollar amounts in millions] ¹

State	U.S. business		Small business		8(a)/SDB set aside	
	Amounts	Actions	Amounts	Actions	Amounts	Actions
Alabama.....	\$11.1	65	\$10.9	63	\$.7	3
Alaska.....	13.9	8	12.6	7	.4	1
Arizona.....	1.7	22	1.8	21	.2	2
Arkansas.....	15.6	36	15.2	32	None	.....
Colorado.....	3.1	11	2.3	10	.2	2
Connecticut.....	1.3	24	1.1	23	None	.....
Florida.....	3.1	7	3.1	7	None	.....
Georgia.....	5.9	59	5.9	59	.1	1
Hawaii.....	6.7	33	6.7	33	6.6	24
Illinois.....	.8	13	.5	11	None	.....
Indiana.....	2.8	12	.5	10	.1	1
Iowa.....	.1	4	.1	4	None	.....
Kansas.....	3.6	9	3.6	9	None	.....
Kentucky.....	5.3	44	5.2	43	None	.....
Louisiana.....	.9	13	.9	13	None	.....
Maine.....	.1	1	None	.....	None	.....
Maryland.....	8.4	46	8.3	45	.1	2
Massachusetts.....	15.3	91	12.5	82	None	.....
Michigan.....	6.4	11	4.4	10	None	.....
Minnesota.....	.1	4	.1	4	None	.....
Mississippi.....	1.3	4	.5	2	None	.....
Missouri.....	4.7	23	4.7	23	None	.....
Montana.....	.5	5	.5	5	None	.....
New Hampshire.....	.3	14	.3	14	None	.....
New Jersey.....	.1	2	.1	2	None	.....
New Mexico.....	14.8	15	13.4	10	12.5	4
New York.....	8.4	30	5.6	27	None	.....
North Dakota.....	3.4	4	3.4	4	None	.....
Ohio.....	.1	1	.1	1	None	.....
Oklahoma.....	5.4	30	5.4	30	None	.....
Oregon.....	.2	1	.2	1	None	.....
Pennsylvania.....	4.8	61	4.3	57	.4	2
Rhode Island.....	.1	1	.1	1	None	.....
South Carolina.....	3.1	16	3.1	16	.4	4
Tennessee.....	.1	2	.1	2	None	.....
Texas.....	56.8	123	42.5	117	1.3	3
Utah.....	2.1	28	2.0	27	None	.....
Vermont.....	.1	8	.1	8	None	.....
Virginia.....	.1	8	.1	8	None	.....
Washington.....	4.6	16	4.6	16	None	.....

**U.S. ARMY AWARDS COVERED BY SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM
DESIGNATED INDUSTRY GROUPS—Continued**

[January 1989 through December 1989; state-by-state comparison—dollar amounts in millions]¹

State	U.S. business		Small business		8(a)/SDB set aside	
	Amounts	Actions	Amounts	Actions	Amounts	Actions
Wisconsin.....	.1	2	.1	2	None	
Total.....	217.3	907	186.9	859	23.0	49

¹ Dollars rounded to nearest 0.1 million.

Question. Do you believe this demonstration project is promoting competitiveness and should be continued when its current authorization expires?

Answer. The Small Business Competitiveness Demonstration Program is still in its infancy stage. The Program commenced 1 January 1989 and is to run for four years. Implementation began with application to solicitations issued on or after that date. Given the limited amount of data collected to date, it would be premature, at this point, to call the project a success or failure or to comment on whether or not the program should continue.

[CLERK'S NOTE.—End of questions submitted by Congressman Kolbe.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Thomas.]

BASE CLOSURE COSTS

Question. Last year, General Hatch testified that the facilities construction needs of the Army would increase as a result of the pending recommendations of the Base Closure Commission. He testified that the Commission estimated construction requirement of about \$640 million.

Now that the recommendations of the Commission have become law, has the Army made its own estimate of construction costs associated with last year's closures?

So at least, in the short term, the Army is losing money by closing bases, is that correct? How long will it take before the Army realizes any real cost savings?

Answer. The answer to your first question is yes. We must spend money up front to realize savings in latter years. As for the second question, the FY91 Base Realignment and Closure Budget Estimate projects a net savings of \$245 million in FY94 and \$1 billion in FY95, these savings include anticipated land sales. The Army estimates a savings of \$264.3 million will accrue to the Department on an annual recurring basis beginning in FY95.

24TH AVIATION BRIGADE EQUIPMENT SHOP

Question. Some concern has been expressed to me about the possibility that monies for the proposed construction of a tactical equipment shop for the 24th Aviation Brigade at Hunter Army Airfield in Savannah may be deferred and not included in the FY 1992 budget submission. For the record, can you please advise me of the status of this project?

Answer. 24th Aviation Brigade Organizational Vehicle Maintenance Shop at Hunter Army Airfield was deferred due to lack of MCA funds. Project is currently in FORSCOM's FY93 MCA program.

[CLERK'S NOTE.—End of questions submitted by Congressman Thomas.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Dicks.]

FORT LEWIS, WASHINGTON—EDUCATION DEVELOPMENT CENTER

Question. Currently over 5,000 off duty college courses for off duty soldiers, 8,000 users of the Computer Assisted Learning Center, 3,500 Basic Skills enrollments and 1,500 language enrollments at Fort Lewis, Washington are housed in 24 decentralized buildings, most of which are temporary World War II structures. I am advised that these buildings have inadequate wiring and heat, are noisy, poorly insulated and ventilated, and require high levels of maintenance. What are current Army plans for replacement of these facilities?

Answer. There is a requirement for a General Instruction Facility at Fort Lewis for \$9.3 million. This project (PN19283) would include demolition of the existing old World War II hospital buildings. The project is unfunded during the program years, fiscal years 92-97.

Question. How does the cost for replacement facilities compare to operations costs for the existing structures?

Answer. The operations cost of the old buildings is at an absolute minimal level. Fort Lewis performs only emergency maintenance of these buildings and provides only minimal essential utilities to operate them. It would cost more to operate a modern educational facility.

Question. Is the quality of education provided adversely affected by the existing structures?

Answer. The quality of education is affected by the condition of the facilities. Degree of impact varies depending on type of class and climatic conditions. Colleges using the facilities are not satisfied with the conditions.

Question. Could these facilities eventually become a barrier for continued operation of private colleges or accreditation?

Answer. Yes, the condition of these facilities could become a barrier for continued operation and accreditation of colleges, both private and public. Concerns have already been expressed by college administrators, presidents, faculty and students. Two local private universities have left Fort Lewis in the past several years. While facilities were not the primary reason expressed for leaving, they were a factor. When given a choice, instructors and students prefer a campus where professional, attractive and modern facilities are available.

[CLERK'S NOTE.—End of questions submitted by Congressman Dicks.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Coleman.]

ARMY MILITARY CONSTRUCTION

Question. Red River was selected as one of the three AOD (Area Oriented Depot) sites for many reasons. It is unique in that it is the largest Army Depot, the closest depot to the Army's largest base (Fr. Hood) and the only depot with major missions in all three areas of depot level support (supply, maintenance and ammunition). Yet the DOD is proposing that Red River's supply Mission be transferred to other depots and the Central Distribution Center modernization project be canceled. The DOD has stated that these proposals come in large part due to a perceived drop in peacetime supply requirements. If supply does drop, why doesn't the DOD close some of the supply facilities not targeted for closure that do not have Red River's unique credentials and transfer their supply missions to a modernized AOD located in the center of the country?

Answer. Army workload projections no longer support construction of 3 AODs and the demand for Defense supply requirements are lowest in the central region. The Army's proposal to transfer Red River Army Depot's (RRAD) supply mission and cancel construction of the Central Distribution Center at RRAD was based on the Army's requirements not supporting three AODs. With reduced force structure and the accompanying reduction in supply requirements, it appears that only two AODs are required. The Army has incurred less sunk costs and can achieve a greater cost avoidance at RRAD than at the other two AODs. The cost avoidance/savings helps the Army meet budget reduction requirements laid down by DOD and Congress. Transfer of RRAD's distribution mission has been discussed by DOD in conjunction with its efforts to the Department achieving necessary supply depot consolidation savings.

Question. Since almost all of the Army depots were built 50 to 70 years ago, what further modernization, not presently underway, does the DoD envision for the Army's supply facilities? What is the anticipated life expectancy for all of the Army's supply facilities? The Navy's? The Marine Corps'? The Air Force's?

Answer. The Army initiated action to consolidate supply operations and to modernize its current distribution facilities. Modernized distribution facilities have been constructed at Sharpe Army Depot and New Cumberland Army Depot. Economic life expectancy of these facilities is 20 years. The Army also has planned construction of hazardous materiel storage facilities at primary depots to bring them into compliance with OSHA and EPA requirements. The Army's Depot System Command has initiated a comprehensive study-Revitalization of Army Depot System for the year 2000 (Ready 2000)—which is assessing the functions and facilities required for the future.

Question. What are the economic disadvantages of the DoD proposal to cancel the CDC modernization project at Red River Army Depot and relocate the Red River supply mission to other depots? If the CDC project is cancelled, what would be the total cost including money already spent and future expenditures? Was a life-cycle cost analysis made on this proposal? If so, please attach copies to your response with appropriate explanation. If not, when can copies of the analysis be made available to the committee?

Answer. The economic disadvantages are sunk costs of \$16.9 million; termination and bid preparation costs; undertermined near term costs for personnel severance pay and permanent change of station; and some facilitation costs at Sharpe and New Cumberland Army Depots. If the proposed construction for RRAD is cancelled, the total funds involved, to include money already spent and avoidance of future expenditures, are \$180.3 million. Of this amount, the cost avoidance by terminating the proposed construction is approximately \$161.3 million. The difference between total cost and cost avoidance is sunk cost plus \$2.1 million of usable projects. An economic analysis for cancelling the Red River AOD will be completed 1 November 1990. Workload analyses reflecting workload for fiscal years 1980 through 1989 and forecasted for fiscal years 1990 through 1996 indicate that the experienced and forecasted workloads have not kept pace with the original estimates. This, coupled with projected force downsizing, would further reduce the savings to investment ratio for the proposed Red River distribution center to unaffordable levels.

MORATORIUM EXEMPTIONS

Question. What Army military construction and family housing projects, outside the United States, are, or will be, exempt from the moratorium?

Answer. The following projects, located outside the United States, have been exempted from the construction moratorium by the Secretary of Defense:

Fiscal year and location	Description
1989 Honduras.....	Facility upgrade.
1989 Honduras.....	Facility upgrade.
1988 St Thomas, VI.....	National Guard Armory.
1988 St Thomas, VI.....	National Guard organization maintenance shop.
1990 St Croix, VI.....	National Guard aircraft maintenance shelter.
1990 St Croix, VI.....	National Guard logistical warehouse.
1990 St Croix, VI.....	National Guard combined support maintenance shop.
1990 St Croix, VI.....	National Guard administrative buildings.

ARMY MILITARY CONSTRUCTION

Question. What is the estimated total amount of supplies that would be returned to the U.S. as a result of anticipated reductions of American military personnel stationed outside of the United States? Where does the DoD plan to store these supplies?

Answer. The total amount of supplies to be returned for each unit that goes through stand-down varies greatly with the type of unit, the time frame for the draw down, and the ability to cross level supplies to other units. It is impossible to estimate the amount of supplies to be returned; however, that which is returned will be stored in the existing depot system. Approximately 147 thousand items (90 thousand short tons) of unit equipment per divisional size unit inactivated will be redistributed. Redistribution strategy for OCONUS units is focused on filling (1) units, (2) propositioning of materiel configured to unit sets (POMCUS), (3) War Re-

serve, (4) CONUS units (AC, AR, NG). Redistribution strategy for CONUS units will follow a similar strategy. Consideration is also being given to offer excess equipment for Foreign Military Sales. Transportation cost to move a Mechanized Division to CONUS (vehicles, equipment, and Class IX/V basic loads) is approximately \$47 million.

Question. The DoD is presently conducting a study to evaluate the consolidation of all the military's supply systems. If the study supports consolidation, wouldn't the modernized three AOD system incorporating a Western, Central, and Eastern facility be an extremely logical part of the new supply network? If not, why not?

Answer. Partially. It would be logical to use the most modern facilities available in DOD if the decision is made to consolidate all of the military's supply systems; however, current Army workload projections alone do not justify the continuation of the AOD facility. The modernized AOD facilities at New Cumberland and Sharpe should certainly be considered for consolidated use. Other facilities in central CONUS should be evaluated prior to expending additional Military Construction Funds on the central AOD.

ARMY MILITARY CONSTRUCTION

Question. What is the risk of having only two AOD depots? How would the supply mission be accomplished should one or the other become inoperative? With only one AOD?

Answer. There is a risk of reduced on-time support to Army geographic customers for a period of time if one of the two AODs were to become inoperative. Non AODs within the geographic area which normally provide back-up for the AODs would pick up the slack until the AOD could be brought back on line.

HIGH EXPLOSIVE MELT (HMX)

Question. How many plants located in the United States produce High Melt Explosives (HMX)? What amount of HMX are produced at each of these plants? Where are each of these plants located? What are the ages of each of these plants? What are the life expectancies for each of these plant's main facilities?

Answer. There is only one HMX plant in the United States that being Holston Army Ammunition Plant in Kingsport, TN. The annual production of HMX ranges from four to five million pounds per year. Holston AAP was constructed in 1943, but has undergone several modernization programs. With continued modernization projects, Holston AAP could produce HMX indefinitely.

Question. Please list all of the known ways that any U.S. entity (i.e., NASA, the Armed Services, American corporations, etc.) has used HMX in the past or could use HMX in the future.

Answer. HMX is used primarily as an ingredient in missile propellant. The Navy uses 85 percent of the peacetime production for the Trident and Standard II missiles. The Army uses it for state-of-the-art anti-tank projectiles. A small amount is required by the Air Force and the commercial space launch industry. HMX is the most powerful and expensive explosive produced in large quantities in the U.S. It is 12 percent more powerful than RDX and costs four to six times as much. At current cost, HMX usage will be limited for

high performance applications, where cost is not an overriding factor.

Question. How many plants located in the United States presently have the ability to produce HMX by the MUSALL process? What are all of the possible benefits that could be derived from producing HMX by the MUSALL process instead of the Bachman method? How many plants located in the United States are currently producing HMX by the MUSALL process?

Answer. There is no plant in the world that can provide production quantities of HMX using new MUSALL process. A pilot plant capable of a limited production of 50 thousand pounds per month was installed at Longhorn Army Ammunition Plant to evaluate the process, with hopes that the MUSALL process will reduce the cost of basic explosive by approximately 10 percent.

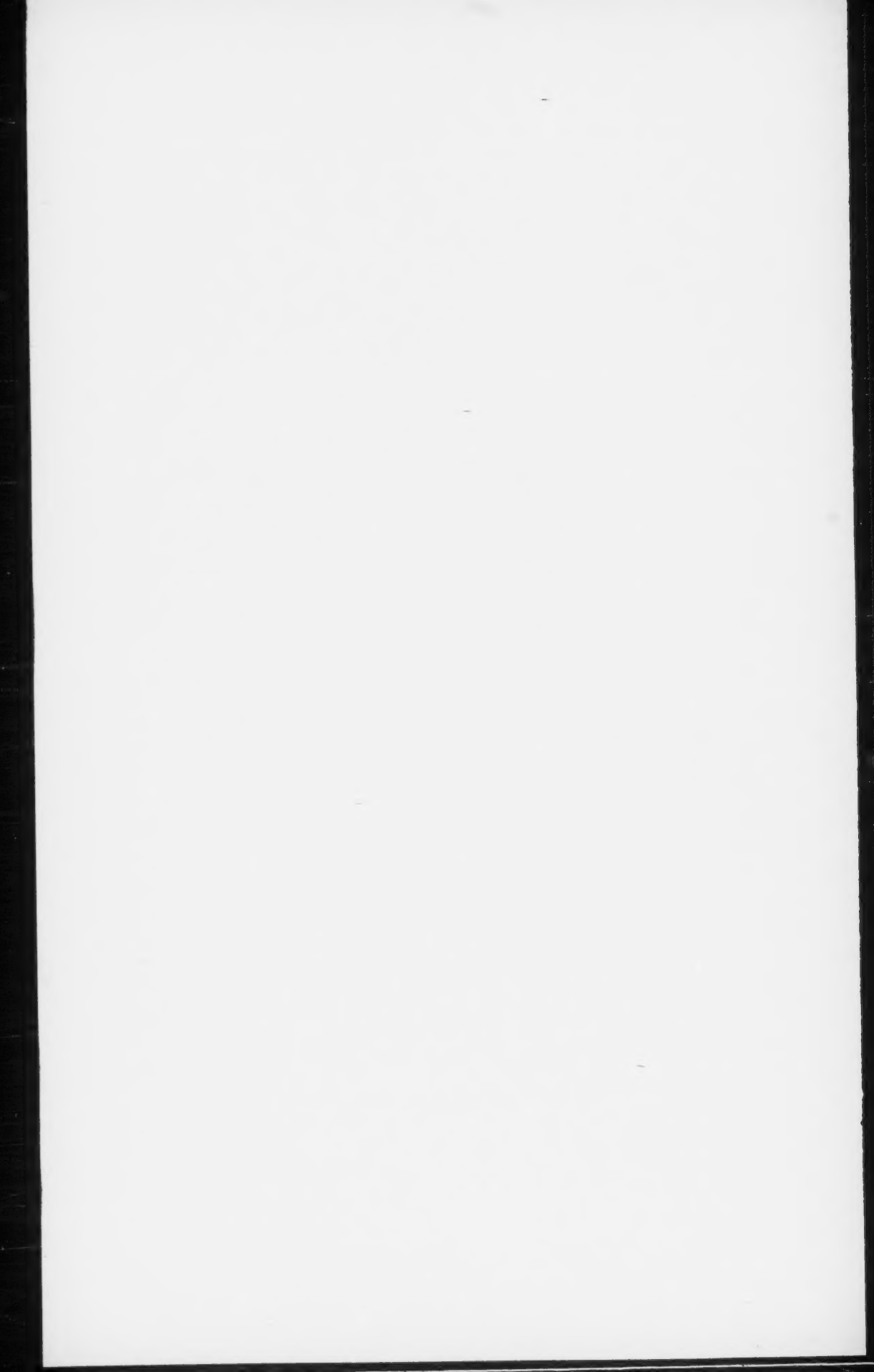
Question. Where would the military obtain new productions of HMX if Holston Army Ammunition Plant was destroyed?

Answer. The Army would have to build a new production facility for HMX if Holston Army Ammunition Plant was destroyed. It is estimated that 19 months would be required until first production. No significant quantity of HMX is available in the world market.

Question. How much money has been spent on the Process Demonstration Module project at Longhorn Army Ammunition Plant? How much money, if any, has been spent in connection with the feasibility, design and construction of a new HMX facility that would produce HMX by the MUSALL process? If such a project has been initiated, how much would it cost to have it terminated?

Answer. The Demonstration Module cost \$3 million. Acquisition, installation and evaluation of the MUSALL Pilot Plant at Longhorn Army Ammunition Plant cost an additional \$28.4 million. The Army has obligated \$13 million for the design of a full scale MUSALL facility (FY 89 funds); however, since the decision was made not to build a full scale HMX plant, the funds are being utilized for an orderly close out of the HMX project.

[CLERK'S NOTE.—End of questions submitted by Congressman Coleman.]



TUESDAY, MARCH 6, 1990.

**FISCAL YEAR 1991 NAVY MILITARY CONSTRUCTION—
OFFICE OF THE SECRETARY OF DEFENSE**

WITNESSES

RADM BOTTORFF, CEC, U.S. NAVY, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

BGEN ADAMS, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The hearing will come to order. Sorry I am late, but I have been with Mr. Cheney for breakfast and he said it would be all right if I was a little bit late. I hope you fellows will agree with that. I brought a note from him. Today we will review the fiscal year 1991 Military Construction Program for the Navy and Marine Corps. We have with us today Rear Admiral David Bottorff, Commander of Naval Facilities, Engineering Command; and Brigadier General Wayne Adams, Director of Facilities, the Service Division for the Marines. Gentlemen, it is good to have you with us today. I understand you each have a prepared statement. Your statements will be made part of the record, and you can proceed any way you see fit.

STATEMENT OF ADMIRAL BOTTORFF

RADM BOTTORFF. Let me kick it off, Mr. Chairman.

It is a pleasure to be here. I did want to highlight just a few points. First, I want to thank the Committee and Congress for their support to the Navy in the military construction in Fiscal Years 1989 and 1990 in that those requests were approved at the level of the submissions.

The program for this year, for Fiscal Year 1991, for the Navy is up slightly in total, and it includes only the highest priorities. We, again, need your support to get that program through. Specifically in the military construction portion, we are in almost the same level as Fiscal Year 1990, and that is despite an overall Navy decline in the budget. I think that is important because it shows a commitment to replacing and modernizing our most important facilities because we do have an old shore establishment. Recognize that 65 percent of our program this year is in the area of current mission, emphasizing replacement and modernization of the existing plant, and only 35 percent in what we call new mission areas.

In addition we are lower in the overseas construction portion. We know the Committee and the Congress is sensitive about the amount of overseas construction. This past year we reviewed and scrubbed very hard our overseas construction request; it represents only 4.8 percent of our request. Specifically, it totals \$48.6 million. We feel those are only the minimal operational facilities we need

plus some quality of life projects that are required to support our people.

In the area of base closure, I support the initiatives of Secretary Cheney to reduce the shore establishment of the Navy. We have a number of candidate sites under study in the Navy. In our program, we have three projects in the 1991 request at those candidate sites. Mr. Cheney has indicated that after the studies are complete he will adjust the request as appropriate.

We have emphasized the quality of life in both our housing and military construction program. It is a centerpiece in that we feel our sailors and marines are most important to us.

In regard to strategic homeporting, we have \$41.8 million in our request: \$22.3 million at Everett and \$19.6 million at Staten Island.

Additionally, I would like to touch on the Trident D5 program. The last major piece for the D5 missile is in our request for Kings Bay, Georgia; and the first major increment for the D5 missile at Bangor, Washington is also in our request.

Lastly, we have also supplemented and complemented the military construction program by looking hard for appropriate private venture capital work. We have specifically used a new authority, 10 USC 2809, most recently to award contracts for transient BOQ's for Newport, Rhode Island and New London, Connecticut. We feel those will save us some money through reduced per diem rates. I think this is a good application of that authority. We expect to award five contracts this fiscal year using that authority.

In summary, I would like to say that the Navy request has been put together with a lot of hard work—a lot of scrubbing. We assure you that only the survivors in this tough budget climate are in our program and urge your approval of our request, sir.

[The information follows:]

file 31.

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APPROPRIATIONS COMMITTEE

STATEMENT OF
REAR ADMIRAL DAVID E. BOTTORFF, CEC, U. S. NAVY
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
OF THE
HOUSE APPROPRIATIONS COMMITTEE
ON
THE FISCAL YEAR 1991 BUDGET SUBMISSION FOR
MILITARY CONSTRUCTION, NAVY
MARCH 6, 1990

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APPROPRIATIONS COMMITTEE



Rear Admiral David E. Bottorff

REAR ADMIRAL DAVID E. BOTTORFF
CIVIL ENGINEER CORPS, UNITED STATES NAVY

Rear Admiral David E. Bottorff, CEC, USN, assumed duty as Commander, Naval Facilities Engineering Command, and Chief of Civil Engineers during change of command ceremonies on Oct. 27, 1989.

Rear Admiral Bottorff was born in Saint Joseph, Mo., on June 3, 1937. He graduated with distinction from the U.S. Naval Academy and was commissioned a Navy Civil Engineer Corps Ensign in 1959. He received a bachelor's degree in civil engineering from Rensselaer Polytechnic Institute in 1961 and earned a master's degree in civil engineering in 1968 at Stanford University. He returned to Stanford University as a Chief of Naval Operations Scholar and received a master's degree in business administration in 1974. Rear Admiral Bottorff graduated from the National War College, Washington, D.C., in 1980.

Early tours included Assistant Public Works Officer and Assistant Resident Officer in Charge of Construction at the New York Naval Shipyard; Program Manager for the Officer in Charge of Construction, Southeast Asia in Bangkok, Thailand; Program Manager for the Pacific Division, Naval Facilities Engineering Command in Pearl Harbor, Hawaii; and Executive Officer of U.S. Naval Mobile Construction Battalion 133. Subsequently, he served as the Operations Officer of Public Works Center, San Diego; Director of Program Management and Deputy Officer in Charge of Construction, Bethesda, Md.; and the Civil Engineer Corps Detailer in Washington, D.C.

In August 1980, Rear Admiral Bottorff assumed command of Public Works Center, San Francisco Bay, and in June 1982 began a tour as the Commanding Officer of the Southern Division, Naval Facilities Engineering Command in Charleston, S.C. From July 1984 until January 1986, he served as the Head of the Program Appraisal and Information Branch on the staff of the Chief of Naval Operations and as Deputy Director of the Department of the Navy Program Information Center. During that tour he was selected for flag rank, effective in January 1986.

On Feb. 28, 1986, he became the Commander, Atlantic Division, Naval Facilities Engineering Command, Norfolk, Va. He held that position when selected for a second star in October 1988.

Personal decorations presented to Rear Admiral Bottorff include the Legion of Merit with two Gold Stars, the Bronze Star Medal with Combat "V," the Meritorious Service Medal with Gold Star, the Air Force Commendation Medal, the Navy Achievement Medal and the Combat Action Ribbon.

Rear Admiral Bottorff is married to the former Marjorie A. Ward of Kansas City, Mo. They have two sons, David Scott and John Ward.

MR. CHAIRMAN, I AM REAR ADMIRAL DAVID E. BOTTORFF, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND. I APPRECIATE THE OPPORTUNITY TO REPRESENT THE SECRETARY OF THE NAVY AND THE CHIEF OF NAVAL OPERATIONS IN REVIEWING THE NAVY'S FISCAL YEAR 1991 BUDGET SUBMISSION FOR MILITARY CONSTRUCTION (MILCON) WITH YOU. BRIGADIER GENERAL WAYNE T. ADAMS, UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS PORTION OF THE REQUEST.

FIRST, I WOULD LIKE TO THANK YOU FOR THE STRONG SUPPORT YOU HAVE PROVIDED IN THE PAST YEARS FOR NAVY MILITARY CONSTRUCTION AND FAMILY HOUSING PROGRAMS. BY RECEIVING FUNDING IN FISCAL YEARS 1989 AND 1990 AT LEVELS COMPARABLE TO OUR BUDGET REQUESTS, WE HAVE BEEN ABLE TO SLOW DOWN THE GROWTH OF OUR BACKLOG OF WORK REQUIRED TO MAINTAIN A MODERN SHORE ESTABLISHMENT. OUR MILITARY CONSTRUCTION AND FAMILY HOUSING REQUEST OF \$2.02 BILLION IS SIMILAR TO LAST YEAR'S REQUEST OF \$1.89 BILLION IN THAT IT ALSO REFLECTS THE RESULTS OF DIFFICULT BUDGET DECISIONS IN A TIME OF LIMITED FUNDS. IT THEREFORE INCLUDES ONLY THE HIGHEST PRIORITY REQUIREMENTS. YOUR CONTINUED SUPPORT IS ESSENTIAL TO PROVIDE THE FACILITIES NECESSARY TO ENSURE FLEET READINESS AND AN ADEQUATE QUALITY OF LIFE FOR OUR SAILORS, MARINES, AND CIVILIANS.

BASE CLOSURES AND FORCE STRUCTURE

I STRONGLY SUPPORT SECRETARY CHENEY'S INITIATIVE TO EXPEDITE THE BASE CLOSURE PROCESS TO ENABLE CLOSURES TO BE EFFECTED QUICKLY AND SAVINGS TO BE REALIZED PROMPTLY. IN THAT RECENT BASE CLOSURE AND FORCE STRUCTURE ANNOUNCEMENTS BY SECRETARY CHENEY ARE OF CONSIDERABLE CONCERN TO CONGRESS,

I WILL BRIEFLY REVIEW THESE ANNOUNCEMENTS IN RELATION TO THE NAVY'S FISCAL YEAR 1991 MILITARY CONSTRUCTION AND FAMILY HOUSING REQUEST. THE FIFTEEN (15) CANDIDATE NAVAL BASES FOR CLOSURE OR REALIGNMENT AND THE ANNOUNCED FORCE STRUCTURE REDUCTIONS BY THE END OF FY 1991 HAVE MINIMAL EFFECT ON OUR FY 1991 REQUEST. WE HAVE THREE PROJECTS IN THE BUDGET AT CANDIDATE CLOSURE & REALIGNMENT SITES; THE PHALANX SHOP MODERNIZATION AT NAVAL ORDNANCE STATION LOUISVILLE, KENTUCKY; THE ASBESTOS REMOVAL SHOP AT NAVAL SHIPYARD LONG BEACH, CALIFORNIA; AND THE HOUSING OFFICE AT NAVAL AIR STATION BERMUDA. THE LOUISVILLE AND LONG BEACH PROJECTS ARE REQUIRED TO ELIMINATE SERIOUS PRODUCTION, HEALTH AND SAFETY DEFICIENCIES AND WILL BE URGENTLY REQUIRED IF IT IS DETERMINED AFTER STUDIES ARE COMPLETE THAT THE ACTIVITIES ARE NOT TO BE CLOSED. THE HOUSING OFFICE AT BERMUDA IS STILL REQUIRED EVEN IF THE PROPOSED REALIGNMENT AT THAT ACTIVITY IS ACCOMPLISHED. FINAL DECISIONS ON THE CLOSURE OR REALIGNMENT OF THESE AND OTHER ACTIVITIES WILL BE MADE AT THE CONCLUSION OF ONGOING STUDIES TO DETERMINE OPTIMUM FACILITY REQUIREMENTS TO SUPPORT THE REDUCED FORCE STRUCTURE. IN SECRETARY CHENEY'S LETTERS OF FEBRUARY 8, 1990, FORWARDING TO CONGRESS THE PROPOSED FY 1991 MILCON AUTHORIZATION BILL, HE STATED, "THIS DRAFT MILITARY CONSTRUCTION AUTHORIZATION BILL WOULD AUTHORIZE CONSTRUCTION PROJECTS AT INSTALLATIONS THAT I ANNOUNCED AS CANDIDATES FOR CLOSURE OR REALIGNMENT. WHEN FINAL CLOSURE DECISIONS ARE MADE, I WILL ASK FOR APPROPRIATE CHANGES TO OUR REQUEST." ACCORDINGLY, WE SOLICIT YOUR SUPPORT FOR OUR REQUEST PENDING FINAL CLOSURE DECISIONS.

FACILITY MANAGEMENT

LAST YEAR, MY PREDECESSOR, REAR ADMIRAL MONTOYA, ALERTED YOU OF HIS CONCERN OVER OUR LIMITED RESOURCES TO PROVIDE PROPER FACILITY SUPPORT TO THE OPERATING FORCES. SECRETARY CHENEY'S CLOSURE AND REALIGNMENT INITIATIVES WILL CERTAINLY, IN TIME, PROVIDE SOME RELIEF FROM THIS CONCERN; WE, HOWEVER, NEED TO CONTINUE TO MAKE PROGRESS IN IMPROVING OUR FACILITY MANAGEMENT PROGRAMS. EFFECTIVE PROGRAMMING FOR AND EXECUTION OF SCARCE APPROPRIATED FUNDS, SUPPLEMENTED BY PRUDENT USE OF PRIVATE FINANCING IS WHAT WE ARE PURSUING TO ENHANCE OUR CAPABILITY TO PROVIDE NECESSARY BASE SUPPORT TO THE FLEET.

FACILITY PROGRAMMING

THE BUDGET BEFORE YOU WAS DEVELOPED IN CONJUNCTION WITH OTHER NAVY ACCOUNTS SUCH AS AIRCRAFT PROCUREMENT, SHIPBUILDING AND CONVERSION AND RESEARCH AND DEVELOPMENT IN ORDER TO PROVIDE THE OPTIMUM MIX OF FUNDS NECESSARY TO SUPPORT OUR MISSIONS. IN OUR METHOD OF PROGRAMMING, SENIOR MILITARY OFFICERS ARE RESPONSIBLE FOR INSURING THAT ADEQUATE RESOURCES ARE AVAILABLE TO ACCOMPLISH SPECIFIC MISSIONS ASSIGNED. THE SPONSOR FOR THE MISSIONS OF OUR SUBMARINE FORCE, FOR EXAMPLE, MUST INSURE THAT A PROPER MIX OF APPROPRIATIONS IS BUDGETED TO PROVIDE ADEQUATELY TRAINED PEOPLE AND SUFFICIENT EQUIPMENT AND MATERIAL, AS WELL AS NECESSARY FACILITIES TO ACCOMPLISH THESE MISSIONS. TO ASSIST SPONSORS TO PRUDENTLY PROGRAM LIMITED RESOURCES WE USE OUR SHORE FACILITIES LIFE EXTENSION PROGRAM TO FOCUS EFFORTS ON REPAIR AND REPLACEMENT OF THOSE FACILITIES MOST CRITICAL TO MISSION CAPABILITY. OUR SHORE BASE READINESS REPORTING SYSTEM HIGHLIGHTS THOSE FACILITY REQUIREMENTS RESULTING IN

MARGINAL AND UNSATISFACTORY READINESS RATINGS. THE SPONSOR IS THEREFORE ABLE TO TARGET LIMITED MILCON AND MAINTENANCE AND REPAIR FUNDS TO THOSE CRITICAL AREAS TO AVOID ADVERSE IMPACTS ON MISSION CAPABILITY.

PROGRAM EXECUTION

WE CONTINUE TO PLACE EXTENSIVE EFFORTS TO IMPROVE OUR ACQUISITION PROCESS TO OBTAIN THE OPTIMUM RETURN FROM OUR LIMITED MILITARY CONSTRUCTION FUNDS. ADDITIONALLY, EACH OF OUR PROJECTS IS REVIEWED TO DETERMINE THE MOST TIMELY AND COST EFFECTIVE CONTRACTUAL METHOD FOR ITS DESIGN AND CONSTRUCTION.

WE ARE CURRENTLY ENGAGED IN A MAJOR EFFORT TO STREAMLINE OUR LENGTHY ARCHITECT/ENGINEER SELECTION PROCESS. RECOMMENDATIONS FROM A STUDY COMPLETED LAST YEAR BY A HIGH LEVEL TASK GROUP ARE CURRENTLY BEING TESTED AT THREE OF OUR MAJOR ACTIVITIES. INITIAL INDICATIONS ARE THAT THE TIME OF THE SELECTION PROCESS CAN BE REDUCED TO LESS THAN ONE-HALF OF WHAT IT NOW TAKES US TO ENTER INTO A CONTRACT.

WHEN INITIATING A PROJECT DESIGN, WE FIRST LOOK TO SEE IF TIME AND MONEY CAN BE SAVED BY USING STANDARD DESIGNS, PACKAGING PROJECTS IN A SINGLE DESIGN CONTRACT, OR USING PERFORMANCE SPECIFICATIONS FOR A DESIGN/BUILD CONTRACT.

IN THE PAST FEW YEARS, WE HAVE BEEN USING STANDARD DRAWINGS, DESIGNS OF PREVIOUS PROJECTS, OR STANDARD FLOOR PLANS FOR ABOUT 20 PERCENT OF OUR PROGRAM. WE EXPECT TO INCREASE THIS USE AS ADDITIONAL STANDARDS AND DESIGNS ARE DEVELOPED. SEVENTEEN PROJECTS IN OUR REQUEST WILL BE PACKAGED WITH OTHER PROJECTS TO BE DESIGNED BY A SINGLE FIRM AND TWO PROJECTS WILL BE DESIGNED UNDER DESIGN/BUILD CONTRACTS USING PERFORMANCE SPECIFICATIONS.

WE HAVE SEVEN PROJECTS IN OUR FY 1991 PROGRAM WHICH WE PLAN TO INCLUDE IN PACKAGED CONSTRUCTION CONTRACTS. REDUCED AMOUNTS ARE BEING REQUESTED FOR THESE PROJECTS IN THAT SAVINGS ARE EXPECTED THROUGH THE REDUCTION OF CONTRACTOR MOBILIZATION, MATERIAL ACQUISITION AND OVERHEAD COSTS.

HAVING PREVIOUS DUTY AS THE COMMANDING OFFICER OF TWO OF OUR ENGINEERING FIELD DIVISIONS, I CAN VOUCH FOR THE EXTRAORDINARY EFFORTS WE ARE EXPENDING TO AWARD OUR CONTRACTS AS EARLY AS POSSIBLE. EVEN WITH THE INCREASING NUMBER OF ENVIRONMENTAL, LEGAL AND DESIGN PROBLEMS BEING ENCOUNTERED IN THE EXECUTION OF OUR PROJECTS, WE WERE ABLE TO AWARD 93 PERCENT OF OUR FY 1989 PROJECTS DURING THE FISCAL YEAR. YOUR SUPPORT OF CONTINUED PRUDENT USE OF SPLIT-YEAR FUNDING AND YOUR PROMPT CONSIDERATION OF REPROGRAMMING REQUESTS ASSISTED US IN THIS ACCOMPLISHMENT.

I THANK YOU FOR YOUR SUPPORT IN THIS AREA AND LOOK FORWARD TO WORKING WITH YOU IN A JOINT EFFORT TO FURTHER STREAMLINE OUR ACQUISITION PROCESS.

PRIVATE FINANCING

WE ARE CONTINUING TO EXPLORE ADDITIONAL AVENUES FOR THE USE OF PRIVATE FINANCING TO PROVIDE FACILITIES NOT AVAILABLE DUE TO LIMITED MILITARY CONSTRUCTION FUNDING. PUBLIC/PRIVATE VENTURES ARE BEING USED TO PROVIDE TIMELY FACILITIES AT LOWER LIFE CYCLE COSTS AND IN SOME INSTANCES SUCH AS OUR PRIVATELY FINANCED GEOTHERMAL PLANTS AND BACHELOR OFFICER QUARTERS, HAVE OR WILL RESULT IN CONSIDERABLE SAVINGS.

LEGISLATION YOU HAVE SUPPORTED, AND WE ARE CURRENTLY PURSUING FOR PUBLIC/PRIVATE VENTURE CONTRACTS, INCLUDES 10 USC 2828, LEASING OF MILITARY FAMILY HOUSING; 10 USC 2821, MILITARY HOUSING RENTAL GUARANTEE PROGRAM; 10 USC 2809, TEST OF LONG-TERM FACILITIES CONTRACT PROGRAM; 10 USC 2812, LEASE PURCHASE OF FACILITIES; 10 USC 2667, GENERAL OUTLEASES; 10 USC 2394, CONTRACTS FOR ENERGY OR FUEL; AS WELL AS OTHER SPECIFIC AUTHORITIES AND CONCESSION AUTHORITY FOR NONAPPROPRIATED FUNDED ACTIVITIES.

WE HAVE RECENTLY AWARDED OUR SECOND CONTRACT UNDER 10 USC 2809 AUTHORITY FOR BACHELOR OFFICER QUARTERS AT NAVAL SUBMARINE BASE, NEW LONDON, CONNECTICUT AND NAVAL EDUCATION AND TRAINING CENTER, NEWPORT, RHODE ISLAND. THIS INNOVATIVE CONTRACT DOES NOT COMMIT THE GOVERNMENT TO AN ANNUAL OUTLAY OF OPERATION AND MAINTENANCE FUNDS. CONVERSELY, IT WILL REDUCE OUR FUTURE OUTLAYS OF PERSONNEL FUNDS BY PROVIDING HIGH QUALITY, TRANSIENT QUARTERS AT RATES CONSIDERABLY LOWER THAN THOSE AVAILABLE IN THE COMMUNITIES. WE ARE IN VARIOUS STAGES IN THE DEVELOPMENT OF NUMEROUS OTHER 10 USC 2809 INITIATIVES AND EXPECT TO HAVE AWARDED BY THE END OF THIS FISCAL YEAR THE FIVE CONTRACTS AUTHORIZED FOR THE NAVY UNDER THE TEST PROGRAM. OF THE NAVY'S 6200 BUILD-TO-LEASE UNITS AUTHORIZED UNDER 10 USC 2828, 650 ARE OCCUPIED -300 AT NORFOLK, VIRGINIA; 200 AT MAYPORT FLORIDA; AND 150 AT EARLE, NEW JERSEY; 150 MORE ARE SCHEDULED TO BE COMPLETED AT EARLE BY JUNE 1990; ANOTHER 1800 UNITS ARE UNDER CONTRACT; AND PLANNING EFFORTS ARE UNDERWAY FOR THE 3600 REMAINING UNITS.

WE HAVE THREE PUBLIC/PRIVATE VENTURE CONTRACTS IN OPERATION FOR THE PURCHASE OF ENERGY UNDER THE 10 USC 2394 AUTHORITY. IN DECEMBER 1989 WE BEGAN PURCHASING STEAM PRODUCED AT NATURAL GAS-FIRED GENERATION PLANT IN SAN DIEGO, CALIFORNIA, AND A TRASH-FIRED CHARLESTON, SOUTH CAROLINA PLANT. AT CHINA LAKE, WE ARE CONTINUING TO PURCHASE ELECTRICITY PRODUCED FROM THE GEOTHERMAL PLANT THAT BECAME OPERATIONAL IN 1988. COST AVOIDANCES FOR THESE THREE PLANTS IS EXPECTED TO APPROACH \$15 MILLION THIS FISCAL YEAR. WE HAVE SIX OTHER POTENTIAL PUBLIC/PRIVATE CONTRACTS FOR POWER PLANTS IN VARIOUS STAGES OF DEVELOPMENT. ALSO IN 1989 WE AWARDED OUR FIRST SHARED ENERGY SAVINGS CONTRACTS AT GREAT LAKES, ILLINOIS AND LONG BEACH, CALIFORNIA.

WE ARE CURRENTLY ACTIVELY INVOLVED IN CONSUMMATING OTHER PUBLIC/PRIVATE VENTURE INITIATIVES. THIS FALL WE EXPECT TO OBTAIN THE CITY OF SAN DIEGO'S APPROVAL OF AN AGREEMENT TO DEVELOP AT THE BROADWAY COMPLEX APPROXIMATELY 2.25 MILLION SQUARE FEET OF COMMERCIAL MIXED USE SPACE AND ONE MILLION SQUARE FEET OF NAVY OFFICE SPACE TO BE SUBSIDIZED BY THE COMMERCIAL DEVELOPMENT. HERE IN THE WASHINGTON AREA THE GSA HAS RECEIVED PRELIMINARY PROPOSALS FROM PRIVATE DEVELOPERS FOR APPROXIMATELY THREE MILLION SQUARE FEET OF NORTHERN VIRGINIA OFFICE SPACE FOR NAVY COMMANDS. EVALUATION IS UNDERWAY AND AN AWARD IS EXPECTED IN FISCAL YEAR 1991. WE ARE ALSO PROCEEDING WITH NEGOTIATIONS WITH THE STATE OF HAWAII TO CONSUMMATE AN AGREEMENT FOR THE SALE OF NAVY PROPERTY WITH THE PROCEEDS BEING USED FOR THE CONSTRUCTION OF A CAUSEWAY TO FORD ISLAND AND REPLACEMENT

FACILITIES AS AUTHORIZED IN THE FY 1990 MILCON APPROPRIATIONS ACT. IN ADDITION, AS AUTHORIZED IN THE FY 1990 MILCON AUTHORIZATION ACT, WE HAVE FINALIZED AN AGREEMENT WITH THE NAVY MUTUAL AID ASSOCIATION TO PROVIDE A 50-YEAR NO-COST LEASE TO THE ASSOCIATION FOR USE OF APPROXIMATELY ONE-THIRD OF A 62,000 SQUARE FOOT MULTI-PURPOSE BUILDING TO BE BUILT WITH ASSOCIATION FUNDS. CONSTRUCTION IS EXPECTED TO BEGIN THIS YEAR.

MILITARY CONSTRUCTION

OUR FY 1991 NAVY AND MARINE CORPS MILITARY CONSTRUCTION REQUEST OF \$1.113 BILLION IS ONLY SLIGHTLY LESS THAN THE \$1.133 BILLION REQUESTED AND \$1.139 BILLION APPROPRIATED LAST YEAR. THIS REDUCTION REFLECTS THE RESULTS OF DIFFICULT DECISIONS. DESPITE DECLINING RESOURCES IN THE DEPARTMENT OF DEFENSE BUDGET, FACILITIES REQUESTS ARE HOLDING STEADY BECAUSE OF THE URGENT NEEDS AND AGING SHORE ESTABLISHMENT. WE CONTINUE TO PLACE EMPHASIS ON OUR MOST IMPORTANT PROBLEMS OF REPLACING AND MODERNIZING EXISTING FACILITIES. THIS YEAR, 65 PERCENT OF OUR MILITARY CONSTRUCTION PROJECTS (\$669 MILLION) ARE IN SUPPORT OF CURRENT MISSION REQUIREMENTS. THIS REPRESENTS A CONSIDERABLE INCREASE FROM FY 1989 WHEN ONLY 36 PERCENT OF THE CONSTRUCTION PROJECTS (\$518 MILLION) WERE FOR CURRENT MISSION REQUIREMENTS.

OVERSEAS CONSTRUCTION

A VERY SMALL BUT EXTREMELY IMPORTANT PART OF OUR MILITARY CONSTRUCTION PROGRAM THIS YEAR IS FOR OVERSEAS CONSTRUCTION. ONLY \$48.6 MILLION OR 4.8 PERCENT OF OUR PROJECTS ARE FOR OVERSEAS ACTIVITIES. CAREFUL CONSIDERATION WAS GIVEN TO OVERSEAS FORCE LEVELS AS WELL AS BASE RIGHTS AGREEMENTS BEFORE

INCLUDING THESE PROJECTS IN OUR BUDGET. THIS MODEST REQUEST IS FOR ESSENTIAL FACILITIES AT ACTIVITIES THAT WOULD BE AMONG THE LAST TO BE CONSIDERED IN AN OVERSEAS DRAWDOWN. OUR CONTINUED PRESENCE AT THESE ACTIVITIES IN GUAM, JAPAN, ICELAND, ITALY, SPAIN AND THE UNITED KINGDOM IS REQUIRED IF WE ARE TO MAINTAIN OUR FORWARD NAVAL PRESENCE AND MARITIME SUPERIORITY. I REALIZE THAT MAJOR OVERSEAS REDUCTIONS ARE BEING STRONGLY CONSIDERED BECAUSE OF THE RECENT DRAMATIC CHANGES IN EUROPE. I, HOWEVER, REQUEST THAT YOU GIVE CAREFUL CONSIDERATION TO THE CONTINUING NEED FOR THE MINIMUM NUMBER OF OVERSEAS PROJECTS IN OUR REQUEST, AND LEND YOUR SUPPORT FOR THEM.

QUALITY OF LIFE

THE SECRETARIES OF DEFENSE AND NAVY AND THE CHIEF OF NAVAL OPERATIONS HAVE ALL VOICED THEIR BELIEFS ON THE IMPORTANCE OF PROVIDING QUALITY WORKING AND LIVING CONDITIONS FOR OUR PEOPLE. MAINTAINING QUALITY PEOPLE, A KEY TO OUR READINESS, CAN ONLY BE ACCOMPLISHED IF WE PROVIDE THEM AND THEIR FAMILIES THE PROPER QUALITY OF LIFE. OUR ENTIRE MILCON AND FAMILY HOUSING PROGRAM WILL HELP PROVIDE OUR PEOPLE THESE QUALITY CONDITIONS NOT ONLY IN THEIR LIVING AREAS, BUT WHERE THEY TRAIN AND WORK WHEN NOT ON BOARD SHIP. AN EXAMPLE OF OUR EMPHASIS ON QUALITY OF LIFE IN THIS YEAR'S PROGRAM IS THE \$71 MILLION INCREASE IN OUR FAMILY HOUSING MAINTENANCE ACCOUNT TO IMPROVE THE LIVABILITY OF OUR EXISTING HOUSING UNITS. WE HAVE ALSO INCLUDED IN THIS YEAR'S PROGRAM \$134.3 MILLION FOR 1,112 UNITS OF NEW FAMILY HOUSING AND \$83.7 MILLION FOR 3,505 BACHELOR SAILORS AND MARINES.

STRATEGIC HOMEPORTING

THIS YEAR'S NAVY MILITARY CONSTRUCTION AND FAMILY HOUSING REQUEST INCLUDES THE LOWEST AMOUNT IN SUPPORT OF STRATEGIC HOMEPORTING SINCE THE PROGRAM'S INCEPTION IN FY 1986. FUNDING THROUGH FY 1990 TOTALS \$641.3 MILLION WITH AN ADDITIONAL \$40.4 MILLION APPROVED FOR FAMILY HOUSING AT NAVAL STATION STATEN ISLAND, NEW YORK. THIS YEAR, WE ARE REQUESTING \$41.8 MILLION, INCLUDING \$19.6 MILLION FOR 150 UNITS OF FAMILY HOUSING AT STATEN ISLAND AND \$22.3 MILLION FOR UTILITIES, SITE IMPROVEMENTS AND SUPPORT FACILITIES AT NAVAL STATION EVERETT, WASHINGTON. THIS WILL PROVIDE US THE NECESSARY FUNDING TO BERTH THE APPROPRIATE COMBAT AND SUPPORT SHIPS AT THESE LOCATIONS.

RELATED FUNDING SCHEDULED TO BE ADDRESSED AT A FUTURE BASE CLOSURE HEARING, IS BEING REQUESTED UNDER THE BASE CLOSURE ACCOUNT. THIS REQUEST INCLUDES ADDITIONAL WORK AT STATEN ISLAND; EVERETT; NAVAL STATION INGLESIDE, TEXAS; AND NAVAL STATION PEARL HARBOR, HAWAII. THE ADDITIONAL WORK AT STATEN ISLAND IS THE RESULT OF THE CLOSURE OF NAVAL STATION BROOKLYN, NEW YORK; AT EVERETT FOR THE CLOSURE OF A PORTION OF NAVAL STATION PUGET SOUND, WASHINGTON; AT INGLESIDE FOR NOT COMPLETING NAVAL STATION GALVESTON, TEXAS; AND NAVAL STATION LAKE CHARLES, LOUISIANA; AND AT PEARL HARBOR BECAUSE OF THE BASE CLOSURE COMMISSION'S RECOMMENDATION NOT TO EXECUTE STRATEGIC HOMEPORTING CONSTRUCTION AT NAVAL STATION, SAN FRANCISCO (HUNTERS POINT), CALIFORNIA.

FUTURE REQUESTS FOR OUR STRATEGIC HOMEPORTING SITES WILL INCLUDE ADDITIONAL REQUIREMENTS UNDER THE BASE CLOSURE ACCOUNT

AND ADDITIONAL FOLLOW-ON MILITARY CONSTRUCTION PROJECTS THAT SURVIVE THE NORMAL COMPETITION FOR FLEET RESOURCES, INDEPENDENT OF THE STRATEGIC HOMEPORTING PROGRAM.

TRIDENT

INCLUDED IN OUR REQUEST IN MINIMUM ESSENTIAL SUPPORT OF OUR TRIDENT D-5 SYSTEM IS \$66.4 MILLION FOR NAVAL SUBMARINE BASE KINGS BAY, GEORGIA AND \$56.5 MILLION FOR STRATEGIC WEAPONS FACILITY PACIFIC, SILVERDALE (BANGOR), WASHINGTON. OUR REQUEST FOR KINGS BAY IS THE LAST MAJOR PROGRAM FOR OUR EAST COAST BASE WHICH WILL REACH ITS INITIAL OPERATIONAL CAPABILITY (IOC) IN APRIL 1990. THE THIRD TRIDENT II SUBMARINE WILL ARRIVE AT KINGS BAY LATER THIS YEAR. AT SILVERDALE, WE ARE REQUESTING OUR FIRST MAJOR INCREMENT TO UPGRADE THE EXISTING ACTIVITY FROM TRIDENT I/C-4 TO TRIDENT II/D-5 CAPABILITY. THE FACILITIES IN THIS REQUEST ARE REQUIRED TO PROVIDE FOR THE TIMELY DEVELOPMENT OF THE BASE SUPPORT REQUIRED FOR THE SCHEDULED ARRIVAL OF THE FIRST TRIDENT II SUBMARINE IN 1995. YOUR SUPPORT OF OUR TRIDENT PROGRAMS IS ESSENTIAL IF WE ARE TO REALIZE THE MOST COST-EFFECTIVE AND SURVIVABLE ELEMENT OF OUR NATION'S STRATEGIC DETERRENT CAPABILITY.

FAMILY HOUSING

FINALLY, ALTHOUGH IT'S A MATTER TO BE ADDRESSED AT A FUTURE HEARING, I WOULD LIKE TO BRIEFLY DISCUSS OUR FAMILY HOUSING PROGRAM. OUR TOTAL FISCAL YEAR 1991 REQUEST FOR FAMILY HOUSING IS \$904.5 MILLION, A 13 PERCENT INCREASE FROM THE \$798.3 MILLION APPROPRIATED IN FISCAL YEAR 1990.

THE FY 1991 NEW CONSTRUCTION PROGRAM PROVIDES 1,112 NEW UNITS AT FOUR LOCATIONS WITHIN THE UNITED STATES AND TWO

ISOLATED LOCATIONS OVERSEAS, NAVAL STATION, GUANTANAMO BAY, CUBA; AND NAVAL AIR STATION, KEFLAVIK, ICELAND. IT ALSO PROVIDES FOR ESSENTIAL SUPPORT FACILITIES AT FOUR LOCATIONS. IN FY 1991, WE HAVE INCREASED OUR NEW CONSTRUCTION FUNDING TO CONTINUE OUR PROGRAMMING GOAL OF ELIMINATING THE FAMILY HOUSING DEFICIT AND TO REPLACE OLD, WORN-OUT SUPPORT FACILITIES THAT ARE NO LONGER ECONOMICAL TO REPAIR OR RETAIN. THE LOCATIONS SELECTED FOR NEW CONSTRUCTION ARE THOSE AREAS WHERE HOUSING IN THE LOCAL COMMUNITY IS SIMPLY NOT AVAILABLE, INSUFFICIENT OR UNAFFORDABLE EVEN WITH THE VARIABLE HOUSING ALLOWANCE. THE ADVERSE EFFECTS ON THE MORALE OF OUR PEOPLE, BROUGHT ABOUT BY LACK OF HOUSING, CAUSE RETENTION PROBLEMS WHICH EVENTUALLY LEAD TO A DIMINISHED READINESS POSTURE.

ALTHOUGH WE ARE STILL PURSUING OUR LONG-TERM PLAN TO ELIMINATE THE FAMILY HOUSING DEFICIT, THE FY 1991 PROGRAM CONTINUES THE EMPHASIS BEGUN LAST YEAR TO TAKE CARE OF OUR CURRENT INVENTORY AND REDUCE THE GROWING BACKLOG OF MAINTENANCE AND REPAIR. WE HAVE INCREASED THE FUNDING FOR OUR MAINTENANCE PROGRAM BY \$71.0 MILLION FROM \$300.0 MILLION IN FY 1990 TO \$371.0 MILLION FISCAL YEAR 1991, PRIMARILY TO ACCOMPLISH MAJOR REPAIR PROJECTS. FUNDING THIS LEVEL OF EFFORT WILL REDUCE THE NAVY'S BACKLOG FROM THE CURRENT \$777 MILLION TO \$656 MILLION BY THE END OF FY 1991.

OUR PLAN ALSO INCLUDES \$42.4 MILLION FOR THE IMPROVEMENTS PROGRAM TO PROVIDE NAVY AND MARINE CORPS FAMILIES WITH PLACES TO LIVE THAT COMPARE FAVORABLY WITH THOSE FOUND IN THE LOCAL

COMMUNITY. THIS PROGRAM IS STABLE COMPARED TO THE AMOUNT APPROPRIATED IN FISCAL YEAR 1990 AND ALLOWS ONLY FOR INFLATION.

OUR LEASING REQUEST INCLUDES \$26.5 MILLION TO SUPPORT OUR BUILD-TO-LEASE PROJECTS THAT I PREVIOUSLY DISCUSSED.

THE OPERATIONS AND UTILITIES ACCOUNTS ARE \$294.5 MILLION IN FISCAL YEAR 1991. THESE ACCOUNTS ARE ALSO STABILIZED, ALLOWING ONLY FOR INFLATION AND NEW UNITS COMING ON LINE. THIS AMOUNT PROVIDES THE MINIMUM AMOUNT REQUIRED TO OPERATE OUR FAMILY HOUSING UNITS.

CONCLUSION

MR. CHAIRMAN, THE REQUEST BEFORE YOU INCLUDES ONLY THE SURVIVORS IN A VERY COMPETITIVE PROGRAMMING AND BUDGETING PROCESS. THROUGHOUT THE PROCESS, EMPHASIS WAS PLACED ON PROVIDING A REQUEST THAT WOULD BE CONSISTENT WITH POTENTIAL FORCE STRUCTURE, BASE CLOSURE, OR BASE REALIGNMENT DECISIONS. EACH OF THE PROJECTS WILL CONTRIBUTE TO THE READINESS OF THE NAVY, PROVIDING ESSENTIAL FACILITY SUPPORT FOR NEW AND EXISTING MISSIONS. WE URGE YOUR FAVORABLE CONSIDERATION OF THE REQUEST.

Mr. HEFNER. General?

STATEMENT OF GENERAL ADAMS

BGEN ADAMS. Good morning, Mr. Chairman. I am Brigadier General Tom Adams, the Director of Facilities and Services from Marine Corps Headquarters. I thank you for the opportunity to appear before you to present our military construction request for Fiscal Year 1991. All marines, not just our senior officers, truly appreciate your past support for this program, which has allowed the Marine Corps to acquire much needed housing, training, maintenance and administrative facilities.

With your approval, I will submit my full statement for the record and briefly summarize some of the highlights.

This year our military construction request is \$139 million for 23 projects. That is only 1½ percent of the total Department of Defense Military Construction budget. The request is smaller than both the Fiscal Year 1989 and 1990 requests. This decrease should not be construed, however, as being reflective of a declining need for facilities to accommodate new and current missions. Rather it reflects the results of a very difficult budget decision. The keen competition for scarce resources has had the effect of providing for only our absolute highest priorities. This can be principally attributed to the continued budget pressures on the Marine Corps brought about by significant general budget reductions across the board. With regard to base closures, the Marine Corps has not directed, nor has it programmed, any base closures or realignments in the base closure commission or in the Department of Defense base closures that were submitted recently.

Despite its relatively small size, our military construction program provides, we believe, a balanced program that represents what is most essential to enable us to attract and maintain quality Marines, and maintain a high level of operational readiness and war-fighting capability. With the support of the Congress, we have made significant improvements. I would, however, be remiss if I failed to point out that we are a long way from achieving our ultimate goal, which is excellent facilities to support all of our mission requirements.

We ask your assistance again this year in helping us toward that goal. This concludes my brief overview. I will be happy to attempt to answer any questions the Subcommittee may have.

[The information follows:]

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STATEMENT OF
BRIGADIER GENERAL W. T. ADAMS
UNITED STATES MARINE CORPS
DIRECTOR, FACILITIES AND SERVICES DIVISION
OFFICE OF THE DEPUTY CHIEF OF STAFF
(INSTALLATIONS AND LOGISTICS)
BEFORE THE
MILITARY CONSTRUCTION SUBCOMMITTEE
OF THE
HOUSE APPROPRIATIONS COMMITTEE
CONCERNING THE
FISCAL YEAR 1991 MILITARY CONSTRUCTION BUDGET
ON
6 MARCH 1990

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UNITED STATES MARINE CORPS

DIVISION OF PUBLIC AFFAIRS • HEADQUARTERS MARINE CORPS
WASHINGTON, D.C. 20380 • TELEPHONE (202) 694-4309

BRIGADIER GENERAL WAYNE T. ADAMS, USMC

General Wayne T. Adams is the Director, Facilities and Services Division, Installations and Logistics Department, Headquarters Marine Corps, Washington, D.C.

General Adams, a native of southern Florida, was born on January 31, 1940. He received an associate degree in 1960 as an honor military graduate from the Marion Military Institute. Following one year at the University of Alabama, he entered flight training as a Marine Aviation Cadet and received his commission and wings after completing advanced jet training at Kingsville, Texas in 1963.

His first operational assignment was with Fighter Squadron 333, MCAS Beaufort, S.C., as an F8 Crusader pilot and duty as the Flight Schedules Officer. In September 1965, he returned to the University of Alabama via the College Degree Program and graduated in May 1966 with a B.A. degree in Political Science and Economics. He also holds a master's degree in General Management (1981).

In June 1966, General Adams reported to the 2d Marine Aircraft Wing, Cherry Point, N.C., where he served as an Air Support Control Officer in Marine Air Support Squadron 1. He transferred to the 1st Marine Aircraft Wing in March 1967, where he served as the Assistant Operations Officer of MASS-3 in Chu Lai and Dong Ha, Republic of Vietnam, and as a Senior Air Controller in the Tactical Air Command Center, Da Nang, RVN.

Ordered back to the United States in May 1968, he returned to the 2d Marine Aircraft Wing, where he served as the Assistant OIC of the Tactical Air Command Center and then a year tour as the Operations Officer of MASS-1. In 1969 he transferred to Quantico, Va., as a student at the Amphibious Warfare School.

Following graduation, General Adams returned to flying duty in April 1970, transitioned to the CH-46 helicopter and served as the Operations Officer of Medium Helicopter Squadron 162 at New River, N.C. He returned to Vietnam in January 1971 for duty as the Logistics Officer and as a Flight Leader in HMM-262 until May, when he was assigned as the Assistant Operations Officer of HMM-164 aboard the USS New Orleans operating in the South China Sea.

Returning from overseas in January 1972, General Adams reported to Jet Training Squadron 19 at NAS Meridian, Miss., where he was promoted to major and served as a flight instructor and as the Aircraft Maintenance Officer. Upon completion of this assignment, he returned to Cherry Point in July 1974 and transitioned to the A6E Intruder for duty as the Maintenance Officer and Operations Officer of Marine All Weather Attack Squadron 121. In January 1976, he was assigned as the Operations Officer of Marine Aircraft Group 14, and subsequently as the Operations Officer of MAG-20, 4th Marine Amphibious Brigade, for extended NATO operations in Northern Europe.

General Adams returned to VMA(AW)-121 in November as the Executive Officer prior to the squadron's unit deployment to the Western Pacific. Following a 19-month tour as the Executive Officer, he assumed command of the "Green Knights" in June 1978. He was promoted to lieutenant colonel in July 1979.

He was reassigned to the 3d Marine Aircraft Wing staff in September 1979, where he served for eight months as the G-3 Operations Officer, 11 months as the Deputy G-3, and two months as the Assistant Chief of Staff, G-3. From July 1981 to June 1982, he was a student at the Naval War College, Newport, R.I. Following graduation, he reported for duty as the Chief of Air Operations, J-3, Rapid Deployment Joint Task Force/USCENTCOM, MacDill AFB, Fla. During this assignment, he also served as a liaison officer to the United States ambassadors and military missions in several Middle Eastern countries; as Chief of Staff of a special unit; and as commander of a joint/combined actual military operation in the Middle East region. He was promoted to colonel in October 1984.

From June 1985 until June 1986, General Adams served as the Executive Officer of Marine Aircraft Group-13, MCAS, El Toro, Calif. He then served for two years as the Commanding Officer of MCAS, Yuma, Ariz. In May 1988, he assumed duty as the Assistant Wing Commander, 1st Marine Aircraft Wing. While serving in this capacity, he was selected in November 1988 for promotion to brigadier general. General Adams was advanced to that grade on April 28, 1989, and assumed his current assignment on July 8, 1989.

General Adams has accumulated over 3,600 flight hours while serving in the fighter, air control, helicopter, and attack communities of Marine Aviation. His personal decorations include: the Defense Superior Service Medal; Legion of Merit; Meritorious Service Medal; the Air Medal with numeral 21; Joint Service Commendation Medal; Navy Commendation Medal with Combat "V"; the Navy Achievement Medal; and the Combat Action Ribbon.

Brigadier General Adams is married to the former Lynne Williams of south Florida. They have three children: Jeff, a Los Angeles County Deputy Sheriff and former Marine NCO; Allison, a flight attendant with Delta Airlines; and Rob, a college freshman.

(Revised July 19, 1989 HQMC)

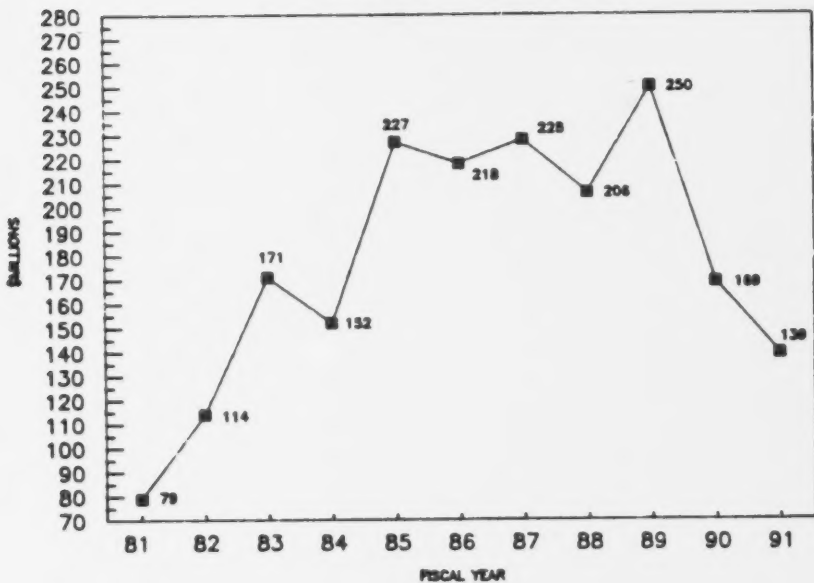
MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM BRIGADIER GENERAL W. T. (TOM) ADAMS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS. I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TO REVIEW THE MARINE CORPS MILITARY CONSTRUCTION PROGRAM FOR FISCAL YEAR (FY) 1991. OUR MILITARY CONSTRUCTION REQUEST FOR FISCAL YEAR 1991 OF \$139 MILLION PROVIDES THE FACILITIES NEEDED TO RESPOND TO THE MARINE CORPS HIGHEST PRIORITIES FOR IMPROVING READINESS, AND SUSTAINING OUR FORCES. THE REQUEST IS SMALLER THAN BOTH THE FY 1990 AND FY 1989 SUBMISSIONS. THE REDUCTION SHOULD NOT BE CONSTRUED AS BEING REFLECTIVE OF A DECLINING NEED FOR FACILITIES TO ACCOMMODATE NEW AND CURRENT MISSIONS. IT DOES, HOWEVER, REFLECT THE RESULTS OF DIFFICULT BUDGET DECISIONS. THE KEEN COMPETITION FOR THESE SCARCE RESOURCES HAS HAD THE EFFECT OF PROVIDING FOR ONLY OUR HIGHEST PRIORITY REQUIREMENTS. THE REQUEST CONTINUES EFFORTS INITIATED IN PRIOR YEARS TO SUPPORT BOTH NEW AND EXISTING MISSIONS WITH EMPHASIS BEING PLACED ON PROVIDING FACILITIES THAT PROMOTE PERSONNEL AND MATERIEL READINESS, ENHANCE PRODUCTIVITY, IMPROVE MORALE AND WELFARE, AND PROVIDE THE QUALITY-OF-LIFE IMPROVEMENTS NECESSARY TO ATTRACT AND RETAIN DEDICATED MEN AND WOMEN FOR THE MARINE CORPS. WITH THE SUPPORT OF CONGRESS, WE HAVE MADE SIGNIFICANT IMPROVEMENTS. I WOULD, HOWEVER, BE REMISS IF I FAILED TO POINT OUT THAT WE ARE A LONG WAY FROM ACHIEVING OUR ULTIMATE GOAL - EXCELLENT FACILITIES TO SUPPORT ALL OUR MISSION REQUIREMENTS.

YOUR PAST SUPPORT FOR OUR PROGRAM HAS BEEN SUPERB AND WE ARE MOST GRATEFUL. IT REFLECTS YOUR APPRECIATION OF THE RELATIONSHIP BETWEEN EXCELLENT FACILITIES AND WARFIGHTING CAPABILITY. MODERN ADEQUATE FACILITIES HAVE CONTRIBUTED SIGNIFICANTLY TO IMPROVED MISSION CAPABILITY, PRODUCTIVITY, READINESS AND SUSTAINABILITY AND HAVE HAD A VISIBLE IMPACT ON MORALE AND RETENTION. CHART 1 REFLECTS OUR PROGRAM SINCE 1982 WHEN THE MARINE CORPS ASSUMED RESOURCE SPONSORSHIP FOR MILITARY CONSTRUCTION.

CHART 1

UNITED STATES MARINE CORPS MILCON FUNDING

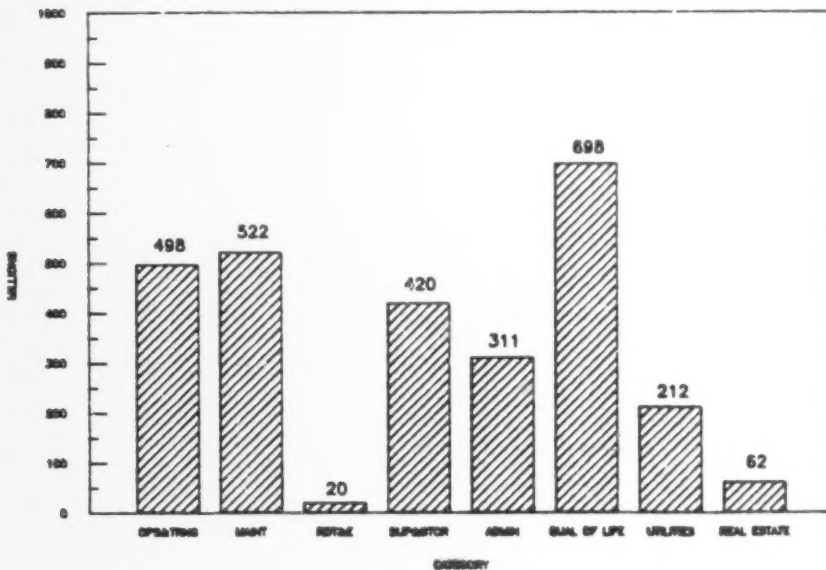


HOWEVER, PROGRAM GROWTH HAS BEEN TEMPORARILY SUSPENDED. OUR FY 1990 MILITARY CONSTRUCTION REQUEST WAS 32.4 PERCENT LESS THAN THE REQUEST SUBMITTED AND APPROVED FOR FY 1989 AND OUR FY 1991 REQUEST DECREASES ANOTHER 18 PERCENT FROM FY 1990. THIS DECREASE SHOULD NOT BE CONSTRUED AS A WEAKENING OF OUR COMMITMENT TO REPLACE AND UPGRADE OUR PHYSICAL PLANT, BUT RATHER IT MAY BE PRINCIPALLY ATTRIBUTED TO THE PRESSURES ON THE MARINE CORPS BUDGET BROUGHT ABOUT BY GENERAL BUDGET REDUCTIONS. WE HOPE TO HALT THIS DECLINE IN FY 1992 AND RESUME AN UPWARD TREND. BECAUSE OF CURRENT BUDGET CONSTRAINTS, WE MUST WAIT TO ADDRESS OUR \$2.8 BILLION FACILITIES BACKLOG, REFLECTED ON CHART 2, FOR BETTER TIMES.

CHART 2

MILCON DEFICIENCY

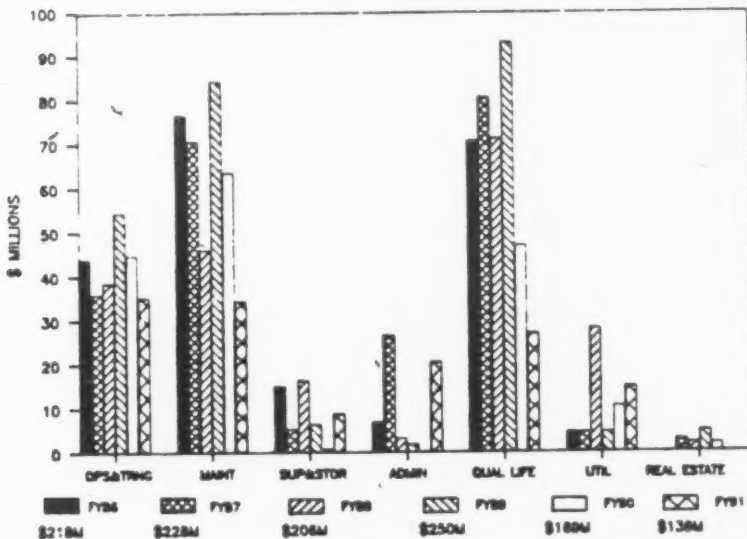
TOTAL (INCLUDES P&D) = \$2.8 BILLION



DESPITE ITS SIZE, THE MARINE CORPS MILITARY CONSTRUCTION PROGRAM CONTINUES TO BE AN INTEGRAL ELEMENT OF OUR COMBINED ARMED FORCES MODERNIZATION AND THE MARINE CORPS REMAINS COMMITTED TO PROVIDING THE EXCELLENT FACILITIES NEEDED TO MEET ALL OUR REQUIREMENTS. THE MARINE CORPS CONSTRUCTION REQUESTS OVER THE PAST FEW YEARS HAVE PROVIDED BALANCED PROGRAMS THAT HAVE BEEN APPLIED AGAINST NEEDED FACILITY IMPROVEMENTS IN OPERATIONS AND TRAINING, MAINTENANCE, SUPPLY AND STORAGE, ADMINISTRATION, QUALITY-OF-LIFE, AND UTILITY SYSTEM UPGRADES AS SHOWN ON CHART 3.

CHART 3

MILCON PROGRAM

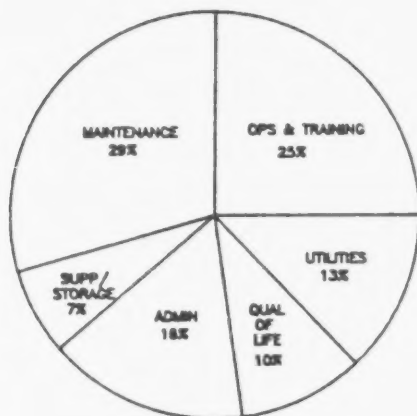


IN FY 1991 MILITARY CONSTRUCTION RESOURCES CONTINUE TO BE ALLOCATED TO SUPPORT THE NEW WEAPONS SYSTEMS AND EQUIPMENT FIELDIED IN THE EARLY 80'S; TO PROPERLY HOUSE OR ENLISTED

MARINES; TO REPLACE THOSE AGING FACILITIES WHICH ARE BEYOND PRUDENT ECONOMIC REPAIR; AND THEN TO SATISFY OUR EXISTING DEFICIENCIES. THIS BALANCED PROGRAM IS CONSISTENT WITH OUR PAST MANAGEMENT STRATEGY AND IS IN RESPONSE TO THE MARINE CORPS MOST URGENT NEEDS, AS REFLECTED ON CHART 4.

CHART 4

MARINE CORPS MILITARY CONSTRUCTION (MILCON) DISTRIBUTION FY91



OUR FY 1991 REQUEST PLACES LESS EMPHASIS ON QUALITY-OF-LIFE PROJECTS BY NECESSITY. DURING THE LAST DECADE THE MARINE CORPS DEVOTED NEARLY 40 PERCENT OF ITS MILITARY CONSTRUCTION BUDGET (\$623 MILLION) TO THE CONSTRUCTION OF OVER 38,000 BACHELOR ENLISTED QUARTERS (BEQ) SPACES, WHICH HAS GONE A

LONG WAY TOWARD COMING TO GRIPS WITH OUR DEFICIT. FOR FY 1991, \$6.7 MILLION IS REQUESTED FOR 316 LIVING SPACES, AND \$7.1 MILLION FOR A MESSHALL AND A MUCH NEEDED CLOTHING ISSUE FACILITY FOR ONE OF OUR RECRUIT DEPOTS. ALL OF THESE PROJECTS ARE AN INDISPENSABLE INVESTMENT IN THE FUTURE AND REPRESENT, IN A TANGIBLE WAY, OUR CONTINUED COMMITMENT TO IMPROVE THE QUALITY-OF-LIFE FOR OUR MARINES.

THE INTRODUCTION OF NEW WEAPONS SYSTEMS REQUIRES SUPPORT FACILITIES TO EFFICIENTLY MAINTAIN AND CONSERVE THESE ASSETS. OUR FY 1991 REQUEST CONTINUES TO PROVIDE THIS SUPPORT TOTTALLING \$10.3 MILLION AND CONSISTS OF THREE PROJECTS AT THREE MARINE CORPS ACTIVITIES.

THE AVIATION READINESS PROJECTS FOR FY 1991 INCLUDE: AN AIRCRAFT RINSE FACILITY; AN AVIATION SUPPLY WAREHOUSE; A HANGAR CONVERSION; A WEIGHT HANDLING EQUIPMENT SHOP; AND AN OPERATIONAL/ TRAINING FACILITY.

MAINTENANCE FACILITIES ARE ALSO REQUESTED TO SUPPORT UNITS AT OUR MAJOR GROUND BASES INCLUDING ONE INTERMEDIATE-LEVEL MAINTENANCE FACILITY; A COMMUNICATIONS-ELECTRONIC MAINTENANCE FACILITY, AND TWO TACTICAL VEHICLE MAINTENANCE SHOPS.

OUR 1991 REQUEST AGAIN EMPHASIZES OUR COMMITMENT TO IMPROVING THE OPERATIONAL AND TRAINING ENVIRONMENT FOR OUR MARINES. WE ARE REQUESTING \$34.5 MILLION FOR THE CONSTRUCTION OF

OPERATIONAL AND TRAINING PROJECTS AT FOUR MARINE CORPS ACTIVITIES. THESE PROJECTS, ESSENTIAL TO OUR TRAINING AND READINESS, WILL PROVIDE FACILITIES SUCH AS: A MECHANICS TRAINING BUILDING; TWO MILITARY OPERATIONS IN URBANIZED TERRAIN FACILITIES; AND THE MARINE CORPS RESEARCH CENTER.

LASTLY, IS A REQUEST FOR \$49.2 MILLION WHICH WILL PROVIDE: WASTE AND WATER TREATMENT FACILITIES; WATER STORAGE DEVELOPMENT; A REGIONAL AUTOMATED SERVICE CENTER; A HAZARDOUS AND FLAMMABLE STOREHOUSE; A LOGISTICS SUPPORT FACILITY; AND A COMBAT DEVELOPMENT CENTER THAT IS ASSOCIATED WITH OPERATIONS, INTELLIGENCE, AND COMPUTER SUPPORT FUNCTIONS. THESE PROJECTS MAY NOT SEEM VERY GLAMOROUS, BUT THEY ARE ESSENTIAL IN SUPPORTING OUR OPERATING FORCES AND MAINTAINING OUR BASE INFRASTRUCTURE.

MARINE CORPS RESERVE

BEGINNING WITH THE FY 1990 PROGRAM, THE MARINE CORPS ASSUMED BUDGETING RESPONSIBILITY FOR ITS RESERVE FACILITIES. THIS RESPONSIBILITY CONTINUES INTO FY 1991 AND BEYOND BY THE MARINE CORPS CONTRIBUTING A PORTION OF ITS TOTAL OBLIGATIONAL AUTHORITY TO THE MILITARY CONSTRUCTION, NAVAL RESERVE (MCNR) PROGRAM FOR THE CONSTRUCTION OF MARINE CORPS RESERVE EXCLUSIVE USE PROJECTS. FUNDING OF MARINE CORPS RESERVE EXCLUSIVE PROJECTS HAS VARIED WIDELY OVER THE PAST YEARS. BECOMING OUR OWN RESOURCE SPONSOR HAS ENABLED THE MARINE CORPS TO MORE FULLY ADDRESS OUR RESERVE MILITARY CONSTRUCTION NEEDS, AND HOPEFULLY, WILL LEAD TO INCREASED AND STABLE FUNDING LEVELS. THE FY 1991 PROGRAM WILL

FUND ONLY ONE PROJECT, AN ESSENTIAL HANGAR FOR A NEWLY ACTIVATED RESERVE AH-1J HELICOPTER SQUADRON AT MCAS CAMP PENDLETON, CALIFORNIA, FOR \$8.1 MILLION. THE MARINE CORPS PORTION OF THE MCNR BACKLOG HAS BEEN REDUCED FROM \$94.08 MILLION TO \$89 MILLION DUE TO A CONGRESSIONAL ADD TO THE FY 1990 BUDGET OF THE CORROSION CONTROL HANGAR AT STEWART, NEW YORK. BECAUSE OF THIS TYPE OF CONTINUING SUPPORT OF THE RESERVES, WE NO LONGER HAVE UNFUNDED PENDING PROJECTS AT STEWART FOR THE KC-130T SQUADRON.

THERE IS CONTINUED EMPHASIS, AS FUNDING IS AVAILABLE, TO REPLACE AND RENOVATE OUR TRAINING FACILITIES, AS WE HAVE FOUND THAT QUALITY TRAINING FACILITIES DIRECTLY IMPACT ON THE READINESS, RETENTION, AND MORALE OF OUR RESERVE COMPONENT.

FAMILY HOUSING

IN RECENT YEARS, THE MARINE CORPS HAS MADE STEADY PROGRESS IN IMPROVING THE QUANTITY AND QUALITY OF OUR FAMILY HOUSING ASSETS. HOWEVER, OUR CONSTRUCTION PROGRAM CANNOT KEEP PACE WITH THE SPIRALING COST OF LIVING IN SOUTHERN CALIFORNIA. YOU RECOGNIZED THIS IN OUR FY 1990 FAMILY HOUSING REQUEST BY ADDING AN ADDITIONAL \$30 MILLION FOR CONSTRUCTION OF 383 HOMES IN SOUTHERN CALIFORNIA. OUR CURRENT HOUSING DEFICIT STILL EXCEEDS OVER 5,000 HOMES IN SOUTHERN CALIFORNIA. THE MARINE CORPS FY 1991 HOUSING PROGRAM IS CONSTRAINED TO \$135.8 MILLION. WE PROPOSE TO CONSTRUCT 116 FAMILY HOUSING UNITS FOR A TOTAL OF \$11.8 MILLION LOCATED AT CAMP PENDLETON, CALIFORNIA. THE FISCAL YEAR 1991 IMPROVEMENTS PROGRAM REQUIRES \$4.5 MILLION, AND

OPERATION AND MAINTENANCE COSTS ARE ESTIMATED AT \$118.9 MILLION. INCLUDED IN THE MAINTENANCE COSTS ARE REHABILITATION PROJECTS ON 1,238 HOMES IN FOUR LOCATIONS ESTIMATED AT \$39 MILLION. WE RECOGNIZE THE DIRECT LINK BETWEEN HOUSING PEOPLE WELL AND INCREASING MISSION CAPABILITY. WE WANT TO PROVIDE OUR MARINES WITH THE BASIC HUMAN NEED OF SAFE SECURE HOMES FOR THEIR FAMILIES.

SUMMARY

MR. CHAIRMAN, IN SUMMARY, PERMIT ME TO EMPHASIZE AGAIN OUR APPRECIATION FOR THIS COMMITTEE'S CONTINUED SUPPORT. THE MILITARY CONSTRUCTION PROGRAM FOR FY 1991 REPRESENTS THE MARINE CORPS ASSESSMENT OF REQUIREMENTS AND RELATIVE PRIORITIES NEEDED TO BEST CARRY OUT MISSION RESPONSIBILITIES. OUR PROGRAM IS VERY MODEST, BUT WELL STRUCTURED AND IS THE RESULT OF A CAREFUL, WELL REASONED, AND THOROUGH DECISION PROCESS BASED ON OUR BEST JUDGMENT AND OPERATIONAL EXPERIENCE. IT PLACES HIGH PRIORITY ON READINESS AND SUSTAINABILITY OF OUR FORCES, ENSURES TIMELY SUPPORT FOR FIELDING NEW WEAPONS SYSTEMS, AND CONTINUES OUR COMMITMENT TO IMPROVE THE QUALITY-OF-LIFE OF OUR MARINES AND THEIR FAMILIES WHILE BEING CONSISTENT WITH FISCAL REALITIES. OUR REQUEST PROVIDES A BALANCED PROGRAM, WHICH WE BELIEVE REPRESENTS WHAT IS ESSENTIAL TO SUPPORT MARINE CORPS MISSIONS AND THAT IS RESPONSIVE TO THE GUIDANCE OF THE CONGRESS.

APPROVAL OF THIS REQUEST WILL CONTINUE THE EFFORTS OF THE CONGRESS AND THE MARINE CORPS TO PROVIDE MODERNIZED FACILITIES

ENABLING US TO ATTRACT AND RETAIN QUALITY MARINES AND MAINTAIN A HIGH LEVEL OF OPERATIONAL READINESS AND WARFIGHTING CAPABILITY. WE URGE YOUR FAVORABLE CONSIDERATION OF OUR FY 1991 MILITARY CONSTRUCTION REQUEST.

SIR, THIS CONCLUDES MY STATEMENT. I WOULD BE PLEASED TO PROVIDE ANY FURTHER INFORMATION YOU MAY NEED, AND TO ANSWER ANY QUESTIONS WHICH YOU MAY HAVE.

NAPLES, ITALY

Mr. HEFNER. Thank you, General. I have a couple of questions. Mr. Lowery, Mr. Thomas and Mr. Dicks also have some questions.

When does the Navy expect to start construction of the Navy complex at Capodichino airport in Italy? And have the objections by the local officials been resolved on this?

RADM BOTTORFF. I am pleased to report, Mr. Chairman, that the first two projects of that relocation were awarded on Monday, 5 March, 1990. Those projects are the BEQ and utilities. We are advertising the other two projects that were authorized and appropriated in 1989 which are the parking garage and the fire station. Apparently, we are over those humps with which we have been struggling for some time. It is going to be close to see if we can award the other two projects by the 31st of March, but we are on our way.

[Supplementary information follows:]

NAPLES COMPLEX

On 5 March 1990, contracts were awarded for the bachelor enlisted quarters, and site utilities segments of military construction (MILCON) project P-126A, Command, Control Communications and Intelligence (C3I) Complex, for which a total of \$21,600,000 was appropriated in Fiscal Year 1989. These awards make up about one-half the total Fiscal year 1989 scope. Balance of Fiscal Year 1989 work, the Fire Station/Security Building and Parking Garage, is scheduled for contract award by 31 March 1990. The City of Naples Council has approved the foregoing projects for construction at Capodichino Airport. It should be noted that the following Navy MILCON projects have been under construction at Capodichino Airport for some time:

Fiscal year 1986—supply facilities, 76 percent complete; fiscal year 1988—flight line security, 24 percent complete; fiscal year 1989—parking apron, 23 percent complete; and fiscal year 1989—cold storage facility, 12 percent complete.

Award of construction contract for the P-126B project, C3I Building, (a.k.a. Administrative Headquarters Building) and supporting construction, for which \$46,600,000 was appropriated in Fiscal Year 1990, is scheduled for September 1990. Approval by local officials is anticipated before September 1990.

Mr. HEFNER. Do you expect to stay with the total construction cost of \$90 million?

RADM BOTTORFF. Yes, sir. We do.

NAPLES COMPLEX

[Supplemental information follows:]

While the physical scope of the Naples relocation program remains the same as presented in testimony of March 1988, it is too early to definitely conclude that the \$91,600,000 estimate will hold. The highly competitive bidding and below Government estimate prices experienced to date on Fiscal Year 1989 Bachelor Enlisted Quarters and utilities at Capodichino Airport indicate Fiscal Year 1989 and Fiscal Year 1990 scope will be awarded well within the \$68,200,000 appropriated. The 45-bed hospital has been deferred to Fiscal Year 1992 (Versus Fiscal year 1990 in March 1988 testimony), and its final siting will require demolition and replacement of the Capodichino enlisted dining hall, both reasons for cost growth. The estimate will be refined when: (1) more bidding takes place on Fiscal Year 1989 and 1990 projects, and (2) hospital design reaches the 35% level.

FORD ISLAND CAUSEWAY

Mr. HEFNER. Last year we had a little controversy on the exchange or transfer of land with the State of Hawaii for construction of the causeway to Ford Island. What is the status of those negotiations?

RADM BOTTORFF. We have been negotiating with the State since December and that appears to be going along satisfactorily. We have not consummated an agreement with the State as yet, but good progress is being made on it, sir.

Mr. HEFNER. I have some other questions, but at this time I will yield to the gentleman from California, Mr. Lowery.

MORATORIUM

Mr. LOWERY. Thank you, Mr. Chairman. Admiral, what effect has the moratorium of the Secretary had on the Navy and on the Marine Corps? Do you anticipate the moratorium would be extended?

RADM BOTTORFF. I hope it will not be extended. We have made all our plans on the assumption that on 30 April the moratorium will be off for those projects that appear clean and can proceed. It has had an impact on us so far in that we have not made any awards, except for the two projects in Naples. We got a waiver on those, as well as a waiver on the A-12 facility down at Patauxent River, Maryland. Up to this time, the moratorium has had some impact, but I think we are living with it. We have continued to open bids, and we have extended some bids, that we had previously opened, until after 30 April. We have taken every step right up to award, which I believe, Mr. Cheney has allowed us to do. We are ready so that when the moratorium is taken off, which we are assuming will be 30 April, we will be able to execute very quickly and make up for any lost time we have encountered due to the moratorium.

Mr. LOWERY. The Corps?

BGEN ADAMS. We have one Fiscal Year 1990 project, sir, that is affected. That is the renovation of the dining facility at the Marine Corps Recruit Depot in San Diego. We have requested a waiver so we may get on with it and proceed with construction during this critical window of opportunity. This is a badly needed project.

Mr. LOWERY. Any other impacts on the Corps?

BGEN ADAMS. No, sir, not right now; certainly not in the 1991 budget.

Mr. LOWERY. Are you moving ahead so that, come May 1, you will be able to award?

BGEN ADAMS. Yes, we are.

MARINE CORPS REDUCTIONS

Mr. LOWERY. The Corps has had an 18 percent decrease compared to last year. If you go back to 1989, it would be a 42 percent decrease. Is that trend going to continue? At this rate, how are we going to eliminate that \$2.8 billion deficiency?

BGEN ADAMS. I certainly hope not. However, we have very little control over that. In our total obligation authority this year we have included our highest-priority projects. \$139 million was our ceiling. I have to be honest and say that the ongoing events in town right now are going to impact greatly on what our Fiscal Year 1992 program looks like.

Mr. LOWERY. I know, in the past, the quality of life projects have had a high priority, but this year only 10 percent of the request is for quality of life related expenditures.

BGEN ADAMS. I feel personally bad about that. Having been a commander at several levels, I believe that taking care of our troops is very mission oriented, and that the second most important thing to success in combat is taking care of our troops. But the fact is, we have come a long way. Over the past few years, we have built 38,000 new BEQ spaces. In addition, we have had other projects that have come along that have also contributed to quality of life. In 1989, we had six new child care centers approved and, in 1990, we had two more. We have none in the 1991 program, but in Fiscal Year 1992 and 1993 we have a total of four more child care facilities. We are also upgrading other types of facilities that contribute to quality of life this year. The only answer I can give you is that the 10 percent was what we felt was equitable in the overall prioritized request.

NAVY FORCE STRUCTURE

Mr. LOWERY. Admiral, what impact with force structure reductions and those retirements of ships have on the strategic force?

RADM BOTTORFF. We are looking at that now. I believe no decisions have been made yet on either the force structure question or, specifically, the homeporting.

Mr. LOWERY. When do you expect some decisions will be made?

RADM BOTTORFF. POM 92 is under development now, and I expect the Department of Defense will not complete that review until the August time frame because it is geared to the Fiscal Year 1992 program. We are hoping, and I think that was the rationale of the moratorium, that as soon as the Services complete their POM review we would eliminate from the programs anything that did not make sense. I would say this summer some time would be the first increment of the review. If things keep moving like they are in Europe or wherever, I am not sure when we are going to come to closure on this; but certainly from what we know now, we are anticipating summertime period.

Mr. LOWERY. You are anticipating having it done before we mark, are you not?

RADM BOTTORFF. I would hope so, sir.

PARAMETRIC DESIGN

Mr. LOWERY. Let me ask about parametrics. What is the Navy position on the use of parametric designs?

RADM BOTTORFF. We are in favor of it, and we have ongoing discussion with the Corps of Engineers and the Air Force. I think within the next year we should be coming to closure on the use of parametrics. I think it has great potential. We have been working a tri-service approach on this, and I think we are getting close on it. 1189san diego, california

Mr. LOWERY. Let me switch to some parochial concerns that also affect the national security and worldwide readiness. As you know, the Independence, home ported in San Diego, is going to replace

the Midway in Japan. When do you anticipate a decision will be made for replacement of a carrier in San Diego?

RADM BOTTORFF. I think, again, it is probably going to be summertime before a decision is made on that.

Mr. LOWERY. Early summer, late?

RADM BOTTORFF. I would say in or about the August time frame.

Mr. LOWERY. Under the proposed closure for Alameda, what is likely to happen with the Lincoln?

RADM BOTTORFF. We are pressing ahead with the study of that base. Alameda was one that was announced as a candidate site, which started the clock ticking with the environmental requirements. We could get a pretty clear indication this summer, but the environmental portion of that will probably extend into this time next year before we get to the full impact of that action. The environmental process in its total flower takes time to run the gauntlet.

Mr. LOWERY. What type of facilities are required to home port a nuclear carrier?

RADM BOTTORFF. You need arcs for both ordnance and reactors, so you need set-off distances and you certainly need adequate—

Mr. LOWERY. Are those arcs different than those for the conventionally powered?

RADM BOTTORFF. Yes, sir, they are. It needs, of course, the cold iron support: steam, electrical power. It is a fairly significant investment.

Mr. LOWERY. What is the status of those facilities for North Island?

RADM BOTTORFF. The North Island project, P-511, pier electrical power upgrade is nearing completion of design. It was approved last year: the carrier berth work, should be awarded by August, 1990. It has about a one-year construction period.

Mr. LOWERY. What other specific ports will have capability for nuclear carriers?

RADM BOTTORFF. Alameda is one. At Bremerton we have parked a carrier from time to time. Everett, of course, will have capability to take a nuclear carrier.

Mr. LOWERY. But that is it?

RADM BOTTORFF. Yes, sir; on the west coast.

Mr. LOWERY. Do you have a figure for the cost of relocating the entire Miramar Operation to some other site? —

RADM BOTTORFF. No, sir. I do not.

Mr. LOWERY. Thank you. Mr. Chairman, I have a whole series of questions I would like to submit for the record.

Thank you, Mr. Chairman.

Mr. HEFNER. Mr. Thomas?

KINGS BAY, GEORGIA

Mr. THOMAS. Thank you, Mr. Chairman. Admiral, it is good to see you this morning. Admiral, as you know last year the Congress exercised its prerogative to approve my recent request for an additional \$7.8 million assistance to the CIA program to fund construction of a new high school down in Camden County. Even though the Office of Economic Adjustment has not yet approved that con-

struction, I testified last year that the County would need a minimum of \$5 million more this year to replace one elementary school, to renovate another, and to expand another. The Navy has always done an outstanding job down there in working with the Kings Bay Impact Coordinating Committee and the local school system to make sure that the educational needs of the Navy children are met. However, the County has five elementary schools in operation. One just opened this year. Even with that, the school system is already 100 elementary school students over their maximum capacity. Given the previous commitment of the Navy to education and the shortfall in space that already exists, can you tell me why the navy requested no monies for the CIA program in its Fiscal Year 1991 request?

RADM BOTTORFF. Yes, sir. As you may recall the Office of Economic Adjustment is our ruling authority within the Department of Defense. They have to evaluate and certify that it is in compliance with the law. We have not received anything by way of certification for this requirement you mentioned so it is not in our budget. At such time as the Office of Economic Assistance certifies the requirement, it would compete, of course, to go in the Navy budget.

Mr. THOMAS. So you are waiting for them now?

RADM BOTTORFF. Yes, sir.

Mr. THOMAS. Moving to the current freeze on military construction, which is in effect until April 30, until last week I was told that the Office of Economic Adjustment was under the assumption that the Strategic Programs Office would be requesting an exemption from the freeze on construction for the entire Trident program, including projects funded through the Community Impact Assistance Program. On Friday, the Office of Economic Assistance told my office that this was not the case and that the Office of Economic Assistance would, therefore, be initiating an immediate request to exempt the CIA Project from the freeze. Could you clarify for me if there has been a request submitted to exempt the entire Trident program from the construction freeze and, if not, why not?

RADM BOTTORFF. It has not been done on the entire Trident program. It has been looked at project by project. We have internally reviewed 65 projects in the 1990 program, and we are moving forward through the approval chain on 27 of those. There are no bid openings for the Kings Bay projects during the moratorium period so we have not requested anything. Of course, if the moratorium got extended for some reason, that would be a different story. We do not think we are holding up anything on the impact assistance. We have not requested any waivers. The Office of Economic Assistance has not and we have not; but there could be.

Mr. THOMAS. It is my understanding there are three projects affected. Do you agree or concur with me that this off-base community assistance ought to be exempt from any kind of moratorium like we have now for military construction?

RADM BOTTORFF. We have apparently talked to the Office of Economic Assistance and they have apparently indicated willingness to request a waiver, but they have not done so as of right now. I would think it would be a reasonable thing to do if we have reached agreement with the County to do certain things. It would

seem logical to me to support such a waiver and we would support it. It becomes a call of the Department of Defense, of course.

Mr. THOMAS. A recent study conducted jointly by the Navy and the community surrounding Kings Bay reviewed the recreational needs of Kings Bay personnel and their families off base. That study showed that the majority of Navy personnel and their families utilized off-base community recreation facilities. If you view recreational needs as important to improving the quality of life for our sailors and their families, as I do, can you tell me what the Navy position is on providing Federal financial support to the communities to construct these type facilities?

RADM BOTTORFF. I think it comes under the impact aid issue, again. The Office of Economic Assistance is the decision maker here as far as certification. It comes down to the way the law reads: is there unfair and excessive burden on the communities. Our people participate in off-base recreational activities, whether it is Boy Scouts, Girl Scouts, Little League, or whatever. They are very active. I think it is a two-way street with the communities. We have a good community relationship down there. Where there is an unfair and excessive impact, I think the Navy would certainly support that.

Mr. THOMAS. In other words, from your standpoint you see recreational needs as one of the important quality of life issues.

RADM BOTTORFF. Yes. We provide, on base, a certain number of facilities; but when families live out in the community, they generally participate with the community, whether it is Little League, Boy Scouts or whatever.

Mr. THOMAS. Of course, we have worked very hard to help the Navy in establishing on-base recreational facilities at an early stage so that MWR funds could be generated and utilized to make that happen. I would point out to you that the general feeling in the community is that there has been a bit of inequity as far as support now in the local community where there is a tremendous need for recreational facilities. Thank you for your support in this area.

RADM BOTTORFF. Yes, sir.

Mr. THOMAS. We have had numerous press queries about the implications of the ongoing start of negotiations on the Trident program, as you might imagine. I know the Navy hoped to have no less than 24 Tridents, 21 operational and 3 as a cushion. If we reach an agreement with the Soviets, what do you see as a major impact on the Trident program? We will have fewer Tridents or will we have the same number of Tridents with fewer missiles?

RADM BOTTORFF. That is too hard to call right now. I think clearly Secretary Cheney and the President have stated that Trident is the solid leg of the triad right now. There certainly could be some agreement that would cut off construction of those Tridents. Then, whatever that agreement is, we would have to evaluate what kind of deployment schedule and support facilities would then be necessary to support the Trident and, of course, the D5 missile. We are not in the position of the what-if situation.

MC INTOSH COUNTY, GEORGIA

Mr. THOMAS. Thank you, Admiral. If I might, General, last year with the assistance of your predecessor, General Downs, we were able to negotiate an agreement with local officials, the Marine Corps and the Georgia Air Guard on a plan to purchase acreage in McIntosh County in my District for a multi-service bombing range rather than continue with the current lease agreement which has been in effect for some time. Could you tell me the status of the current negotiations between the owner of the property, the Union Camp Corporation, and the Marine Corps on that purchase proposal?

BGEN ADAMS. It is my understanding, sir, that the money was both authorized and appropriated, and that the only reason it has not been obligated is because of the moratorium right now.

Mr. THOMAS. It is the moratorium and not your proceedings or your intent?

BGEN ADAMS. Yes, sir.

Mr. THOMAS. Are you ready and prepared to condemn the property in a condemnation-type proceeding if you cannot reach an agreement? If that is your reading, can you give us any time frame on this?

BGEN ADAMS. I believe the answer to your question is yes.

Mr. THOMAS. You would intend to take condemnation steps against Union Camp?

BGEN ADAMS. If that is necessary. We would prefer to do it through the negotiation process and come out with an amicable agreement on that. I probably need to provide you some additional information for the record on that.

Mr. THOMAS. So you would not be able to comment on when you might take these steps and what the time frame might be on this?

BGEN ADAMS. Only because I am not sure of whether or not we are going to have to do that.

[The information follows:]

It is our understanding the Southern Division, Naval Facilities Engineering Command, has terminated the unsuccessful negotiations to purchase the property. It appears the two basic reasons for this action are the inability of Union Camp to accept a purchase price based on the contract appraisal of the property's fair market value; and Union Camp's desire to significantly increase the amount of land to be acquired in fee.

Condemnation is the only alternative remaining in order to secure continued use of this essential defense asset. I understand that action in this matter is at present on hold, pending the expiration of the Secretary of Defense's moratorium of new MILCON obligations in effect until 30 April 1990. I further understand that the request for condemnation should be transmitted to the Department of Justice within 30 days of the moratorium's expiration. The actual filing of the case is dependent on the schedule of the local U.S. Attorney; however, filing normally occurs within a matter of weeks of the U.S. Attorney receipt of the condemnation package.

STATUS OF NEGOTIATIONS

Question. General Adams, I asked you to supply for the record a status of the pending negotiations between Union Camp and the Marine Corps on the Townsend Bombing Range Proposal in McIntosh County, Georgia. I also asked whether or not the Marine Corps was prepared to condemn the property if a negotiated settlement cannot be reached.

As a supplement to those questions, I would appreciate you providing me with a written justification of the price offered by the Marine Corps for the Union Camp

property, along with any other written information as to how the land was appraised.

Answer: A SOUTHNAVFACENGCOM representative met with Union Camp officials on December 7, 1989, to discuss the Government offer made on April 13, 1989. Although numerous telephone conversations occurred, no counteroffer from Union Camp was received. On December 14, 1989, Union Camp advised that they had commissioned an independent real estate consulting firm to provide them with an appraisal of the property. Union Camp did not provide a time frame for a counteroffer. Because of the protracted negotiations, Navy is prepared to institute condemnation proceedings to preserve the operational capability of the Townsend Bombing Range. If Union Camp provides a reasonable counter offer after condemnation, the case can be settled without need for a trial.

The Navy has the same underlying basis for its appraisal standards as other federal agencies, the Uniform Appraisal Standards for Federal Land Acquisition. Appraisers must adhere to the definition of fair market value, "The amount in cash for which in all probability the property would be sold by a knowledgeable owner willing but not obligated to sell to a knowledgeable purchaser, who desires but is not obligated to buy, each acting prudently, and assuming neither is acting under duress."

In this particular project, the Navy contracted with two independent appraisers to provide their estimates of the fair market value of the Union Camp property. Each appraiser made an independent determination of the highest and best use of the property, before and after the acquisition, and selected recent sales of similar property to assist in their determination of the fair market value of the parcel to be acquired including any damages to the remainder parcel. These appraisals were reviewed and approved by the Navy, and an offer was made to the property owner in accordance with Public Law 91-646.

Mr. THOMAS. Just one comment. It is great to have a Trident submarine base and erect a deployment training facility in your District. A bombing range is not the most popular thing in the world, however. We have had our problems, but we got together last year. We had some meetings. I think we are off on a better track. I am sorry that the owner of the property is not coming willingly to the table to sell you that property and that you may have to proceed with condemnation proceedings; but we worked out some agreements that have been viewed favorably in the community.

BGEN ADAMS. Yes, sir.

Mr. THOMAS. I appreciate your doing that. I think it is certainly in our best interests for the future operation of that range for us to continue. So I want to thank those who came before you. I am sure I can count on you working with me on that rather touchy facility which, as I say, is not quite as welcome as some of the others have been. We try to take the bad along with the good.

Mr. DICKS. Will the gentleman yield?

Mr. THOMAS. I will be happy to.

Mr. DICKS. In our state, we worked this out very nicely. We have facilities there, too, and we do our bombing in Oregon. We found that very compatible.

RADM BOTTORFF. Thank you for the suggestion.

BGEN ADAMS. We would have to have some tactical refueling assets to bomb from North Carolina to Oregon.

Mr. HEFNER. Somebody said that, in that county in Georgia, the bombing range had done about \$12 million in improvements.

Mr. THOMAS. Mr. Chairman, I would differ with you on that.

Mr. HEFNER. It made some ponds for some catfish farms. Mr. Dicks?

EVERETT, WASHINGTON

Mr. DICKS. Thank you, Mr. Chairman. Admiral, welcome; General Adams. As you know, I have been a very strong supporter, Admiral, of the Everett home port in the State of Washington. Could you provide us with a status update of work at the Everett home port? I notice in your statement that you mention there were \$22.3 million for utilities, site improvements and support facilities at Naval Station Everett Washington in the '91 request.

RADM BOTTORFF. Yes, sir. Congress has provided about \$191 million through Fiscal Year 1990 and we have obligated \$173 million of that appropriated amount. The land acquisition is complete; site development contract is over 80 percent complete now; the carrier pier dredging contract is about 20 percent complete; and the defense access roads contract about 15 percent complete. So, we are moving along there with good momentum, sir.

Mr. DICKS. I am correct in stating, am I not, that a few years ago we had some very serious environmental problems. But the Navy worked out an agreement with the people who were questioning the approach the Navy was taking. So we have cleared up all the environmental issues?

RADM BOTTORFF. Yes, sir.

Mr. DICKS. Could you also give me the result of the sediment testing that has been done there? Do you know or can you provide that to us?

RADM BOTTORFF. I can provide that for the record, sir.

Mr. DICKS. Okay.

[The information follows:]

In accordance with the agreement reached with environmental groups in December 1988, the Navy has performed extensive testing of the sediments at Everett, WA. The agreement stipulated special procedures for testing and biological and chemical analyses of sediments in addition to requiring use of Puget Sound Dredged Disposal Analysis (PSDDA) guidelines. After the sediment testing and analysis was completed in accordance with the terms of the agreement, the PSDDA agencies, Navy and environmental groups agreed that the sediments in the vicinity of the carrier pier were suitable for unconfined open water disposal. This determination, along with completion of required environmental documentation and issuance of required permits, allowed Navy to proceed with dredging and construction of the carrier pier.

Mr. DICKS. You mentioned \$191 million. That is not including the \$22.3 for this year?

RADM BOTTORFF. That is correct, sir.

Mr. DICKS. When will we have completed element one? How does the phasing of this project work?

RADM BOTTORFF. Work on element one should be completed by May 1992.

Mr. DICKS. How much remains to be provided to complete element one? 272 is the number that I remember.

RADM BOTTORFF. Yes, sir. The total program capped through fiscal year 1991 is \$272 million. This funds element one and two, however, additional funding of \$59 million, would be required to reach the \$272 million figure.

Mr. DICKS. If we got that through, it would support element one and element two.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. Maybe you could put in the record where each of these elements ends and when the next element begins.

RADM BOTTORFF. Yes, sir.

[The information follows:]

Development of the Everett waterfront involves three "elements" as described in the agreement reached with environmental groups.

Element one includes construction of the carrier pier and a wharf along with associated dredging to provide berthing for a carrier and four to six ships.

Element two includes construction of a breakwater-pier along with associated dredging to provide berthing for an additional four ships.

Element three includes construction of marginal wharves and associated dredging in the inner harbor to provide berthing for four more ships.

Mr. DICKS. What are the current plans for numbers and types of ships that will be home ported at Everett; and when do you anticipate that these ships will arrive?

RADM BOTTORFF. The first ship is to arrive in May of 1992. The exact number and composition I believe is under review as part of the whole force structure review.

Mr. DICKS. In your judgment, when will we have a more clear picture of that?

RADM BOTTORFF. Certainly based on what we know right now, we are looking at summertime, in the August time frame, before we have a good fix.

Mr. DICKS. August of 1990?

RADM BOTTORFF. Yes.

Mr. DICKS. This autumn?

RADM BOTTORFF. Yes, sir. Of course, that is depending on what else happens.

Mr. DICKS. We are talking about, what, eight, nine, ten ships?

RADM BOTTORFF. Yes, sir.

Mr. DICKS. What is the capability? How many could you have, potentially: a carrier and?

RADM BOTTORFF. And eight to ten ships of a battle group could be berthed using facilities constructed under elements one and two.

PUGET SOUND NAVAL SHIPYARD

Mr. DICKS. There has been some discussion of additional homeporting to complement the Everett Carrier Battle Group at the Puget Sound Naval Shipyard in Bremerton.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. Can you comment on the status of this issue?

RADM BOTTORFF. Yes, sir. This has to do with the AOE-6 program. Those ships are under construction and we have an Environmental Impact Statement in process on that. We expect in the spring of 1991 (it looks like June) a record of decision on that. As a result of that effort, a decision will be made to homeport the AOE-6's at Puget Sound Naval Shipyard.

FAMILY HOUSING

Mr. DICKS. I understand, also, there now is going to be a housing survey of both the Everett and Kitsap County areas to look at the overall housing situation. Is that correct?

RADM BOTTORFF. Yes, sir.

Mr. DICKS. I think it is going to be crucially important in the future. We have had such growth in the State of Washington, we have to get a current update and deciding between the Navy and the local community how we are going to deal with these housing issues. The Navy remains, as I understand it, very committed to the Everett Home Port, especially because we have made such a substantial commitment of funds already. Is that not correct?

RADM BOTTORFF. Yes, sir.

— BREMERTON, WASHINGTON

Mr. DICKS. Let me switch topics now. I want to talk a little bit about Bremerton, the Puget Sound Naval Shipyard, and the land acquisition program there.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. In the Fiscal Year 1990 report the Committee included the following language expressing concern over the crowded conditions at the Puget Sound Naval Shipyard. They noted that "Because of the shortage of usable land there are inadequate storage, office, parking, recreational and other fleet support facilities at the activity. This situation will be severely exacerbated with expected additional overhaul and repair work, and homeporting of active ships at the shipyard," all of which we are very thankful for. As a result, the Committee directed the Navy to "expedite the planning for acquisition of 15 acres of land adjacent to the northwest corner of the base." The Committee indicated an expectation that "a request for this project would be included in the Fiscal Year 1991 budget." What is the current status of this planning effort?

RADM BOTTORFF. The plan is still being worked, but it is being tied essentially to the AOE-6 program that I mentioned earlier. Therefore, at a time when a record for decision is made, projected now in June 1991, we would be in a position to have something maybe in the 1992 submission for that land. We have a bit more work to do on that.

Mr. DICKS. Does the Navy agree with the requirement for this land acquisition?

RADM BOTTORFF. Yes, sir.

Mr. DICKS. What is the current cost estimate for this project?

RADM BOTTORFF. We have estimated it at about \$20 million.

Mr. DICKS. That is fuzzy, of course, depending on what you get on your Environmental.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. Anything you want to flesh out for the record on that would be fine.

RADM BOTTORFF. Yes, sir.

[Supplemental information follows:]

The land acquisition project covers approximately 22 acres of improved land located adjacent to the northwest corner of the Puget Sound Naval Shipyard. The estimated cost of this project is \$20,500,000. There are about 125 parcels of the land involving a mix of single family, multi-family, and some commercial properties. The number of relocations total about 200 owners and tenants. As stated, the record of decision for the required Environmental Impact Statement is now projected for June 1991. Based on past experience, particularly with a project this size, there is always the potential for delay in the environmental process. Also, under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, P.L. 91-646, each property owner and tenant must be given 90 days notice

to vacate. Comparable housing will have to be found for the large number of owners to be displaced. Following acquisition and relocation, demolition of the acquired improvements is necessary prior to any new construction. Therefore, accomplishment of this project in Fiscal Year 1991 appears marginal. This project remains in the tentative Fiscal Year 1992 Navy military construction program.

Mr. DICKS. If additional funding were provided for this acquisition in Fiscal Year 1991, could it be executed?

RADM BOTTORFF. It would be awfully tough. With a record of decision scheduled for June 1991, if everything went right, we could probably execute some of it. There are a lot of land holders in that piece of land. But, we could get a start on it. It would be difficult. However, if something went wrong in the record of decision and it got postponed at all, we would miss the wicket for a fiscal year 1991 execution.

Mr. DICKS. Would funding availability in Fiscal Year 1991 provide you with the flexibility to execute the land acquisition in an expeditious manner in order to be prepared for anticipated overhaul workload of the shipyard?

RADM BOTTORFF. It would probably give some more flexibility. I think you are only working, though, on the margin of three months or four months.

Mr. DICKS. We will talk to you some more on that as we go on.

RADM BOTTORFF. Yes, sir.

SILVERDALE (BANGOR), WASHINGTON

Mr. DICKS. We will switch to the Bangor Trident base on the D5 facilities: the budget request is \$56.5 million for a number of projects to prepare the Trident submarine base to handle the D5 missile. Please update us on the status of efforts thus far and the current cost estimates and timing for completion of this overall project.

RADM BOTTORFF. Yes, sir. We had \$15.1 million in the 1989 program, which was the first start. Of course, in this submission we have \$56.5 million as the first major piece containing the radiographic inspection building and motor inspection buildings, the re-entry body magazines and service buildings and missile assembly buildings. Then, we would follow with fiscal years 1992, 1993 and 1994 projects, which we feel could run in the neighborhood of about \$180 million to finish out the D5 program at Bangor.

Mr. DICKS. The recent case of a triple-murder/suicide involving David Drizpaul at the submarine base Bangor demonstrated a serious problem because the base lacks the facilities for detaining Naval or Marine Corp personnel. As a result, Drizpaul was released back to his quarters, left the base and killed a Bremerton Pawn Shop owner and severely wounded her brother before taking his own life. You can give us this for the record, but you may want to talk about it generally. What options exist for detaining personnel at Bangor? And when does the Navy plan to improve the situation by providing such a facility on base? I mention this, beyond the fact that it is an important issue locally, because I understand that if you wanted to put someone in the brig, you have to take them to Seattle. That is a long way.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. You have to get on a ferry. You have to go all the way over there; or you have to go down to Fort Lewis. When you have three major Naval facilities in the Kitsap County area, it seems obvious to me we need some kind of a facility if somebody is drunk and comes back on the base with a loaded weapon, and may be dangerous. Apparently we do not have such a facility. I understand that at the other Trident base they do have a brig and that there was one in the budget at some point, but it fell out. Please give us an update of that item. I would appreciate it.

RADM BOTTORFF. It was obviously a tragic incident. I believe we are looking at what options there may be for this. I am not sure a facility fix is really what is called for here. We, of course, have a brig program. It provides for a consolidated brig, a facility for up to one-year incarceration, and beyond that they go to the Federal Penitentiary.

Mr. DICKS. Right.

RADM BOTTORFF. Then we developed a waterfront brig for confinement up to 30 days. One of these that has just been completed at Sand Point was to support the Puget Sound complex. I agree with you that it is a commute to get to Sand Point from Bangor. If I could, I would take that question to provide information for the record.

Mr. DICKS. Take it for the record and look at it.

[The information follows:]

The construction of a waterfront brig at Naval Station, Seattle (Sand Point) was approved in FY 1987 MILCON. It is now in operation and supports the entire Puget Sound Complex. There are procedures in place governing the use of the facility which include the Naval Submarine Base Bangor. While no MILCON for a brig is planned at Bangor, a small detention facility (3 or 4 person; 72 hour confinement) is an alternative if warranted. This is within the Base Commanding Officer's authority. In view of the distance between Bangor and Sand Point, an appropriate review of this situation will be accomplished.

Mr. DICKS. They told me up there that they are looking at trying to take an existing facility up there and come up with something that could be used in the interim. But I think we need to take a look at that because that seems to me to be a possible area where we could make an improvement.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. All right. Thank you again for your testimony.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. General Adams, I am sorry. I think you are doing such a good job up in our area that we do not have any problems where I have to only talk to the Navy here and make sure they are on a good course.

RADM BOTTORFF. Yes, sir.

Mr. DICKS. Okay.

CRYSTAL CITY, VA

Mr. HEFNER. Admiral, last year I had an exchange with Admiral Montoya about Crystal City. Can you update us some the committee on plans to vacate Crystal City and obtain lower costs or long term leases elsewhere?

RADM BOTTORFF. Yes, sir. This, of course, comes under GSA's domain here. Although we are establishing requirements, GSA is

the executing agency. My understanding is they have solicited technical proposals and those are under evaluation now. I think once the Congress is satisfied with what GSA is doing and what the Navy is doing, then proposals would be taken for that lease or procurement. They are using a three-prong approach: lease, lease purchase or installment purchase. Those are all options that are being looked at, sir.

Mr. HEFNER. Can you tell us if the Navy has relocated any missions out of the Washington area in the last several years?

RADM BOTTORFF. The Naval Oceanographic Command was relocated to Bay St. Louis, Mississippi was at least 13 or 14 years ago. I do not recall any others at this time.

Mr. HEFNER. If you could provide that for the record.

RADM BOTTORFF. Yes, sir.

[The information follows:]

In addition to the Naval Oceanographic Command's move to Bay St. Louis, Mississippi, the Navy has relocated other functions out of the Washington area over the past several years. In 1990, the Naval Security Coordination Team, made up of about 35 military specialists, relocated from Naval Ordnance Station, Indian Head, Maryland to Norfolk, Virginia. The disestablishment of the Naval Material Command in 1985 eliminated an estimated 450 positions from the Washington area. In 1979, the Marine Corps Automated Services Center consisting of about 150 personnel moved to Quantico, Virginia, and approximately 119 personnel of the Navy Fleet.

WASHINGTON NAVY YARD

Mr. HEFNER. For ten years, this committee has attempted to relocate the Navy out of the high rent district of Crystal City. One way of avoiding the high lease costs in the metropolitan area is to better utilize our assets at the Washington Navy Yard, and I see there are no projects in Fiscal Year 1991 for Washington Navy Yard. Can you explain why this is?

RADM BOTTORFF. We have one project for Anacostia which is in the outyears that we have planned to construct a warehouse. This would allow us to download Navy Yard buildings which will make available some additional space there for conversion to office space. We recently completed 95,000 square feet of what we call Building 36 at the Navy Yard that we are placing tenants in right now.

Mr. HEFNER. Last year, we paid \$50.8 million dollars in leases for Crystal City. As you look at the chart, if we continue with the leases, in 1998 we are going to be paying over one hundred million dollars per year.

RADM BOTTORFF. Yes, sir.

Mr. HEFNER. You know, we made a joke to Secretary Cheney this morning talking about the Navy and that Crystal City was probably the best defended area in the world from the Navy standpoint. I really do not understand why we need that many Navy personnel in the Washington area. I think we have got to figure some way to at least get long term leases if we are going to stay.

RADM BOTTORFF. Yes, sir.

Mr. HEFNER. If, you know, in 1998 I would say safely we would be paying somewhere around one hundred million dollars.

RADM BOTTORFF. Yes, sir. I think your estimate is probably pretty close. We are looking at original leases which averaged about seven dollars a square foot. Now, the new rates are running

\$25 to \$30 dollars a square foot. Lease rates have grown by a factor of four.

Mr. HEFNER. Thank you. General Adams, I apologize for not talking much about the Marine Corps. I went to a low level waste hearing the other night hoping I would not get asked a question. It seems to me that would be the ultimate, to be doing a job and not having anybody question what you are doing.

BGEN ADAMS. I do not feel slighted at all.

JAPAN

Mr. HEFNER. Last year, this committee funded three Marine projects in Japan which the Armed Services Committee failed to authorize. Can you explain why you have not again requested authorization this year since funding has been provided?

BGEN ADAMS. Yes, sir. Those are important projects. However, their priority was not high enough to include them in a very limited Fiscal Year 1991 budget of \$139 million. It is really just a matter of economics. We are looking at other alternatives. The government of Japan through the Facilities Improvement Program (JFIP) has not normally funded projects of this nature because they view them as being offensive in nature. We are, however, still working with them in getting JFIP money to fund those three projects. The answer to your question is that they did not make our priority list when compared to our other requirements this year.

Mr. HEFNER. I will submit the rest of the questions for the record, and I thank you gentlemen for being with us today.

BGEN ADAMS. Thank you.

Mr. HEFNER. This hearing is adjourned.

[CLERK'S NOTE.—Questions for the record submitted by Chairman Hefner.]

NAPLES COMPLEX

Question. For the record, what are the Navy plans for construction of a school and hospital and other facilities to support the Naples Complex?

Answer. Present plan is to acquire a new dependents school, grades K-12, through a long-term lease to occur on a yet to be determined support site north of Naples. On the other hand, a new 45-bed hospital, sited at Capodichino Airport, is planned for submittal in the Fiscal Year 1992 military construction budget request, sponsored by the Defense Medical Facilities Office. In both cases, the structures would meet stringent seismic design codes and be resistant to earthquake forces that threaten life safety in the leased buildings used today for school and hospital.

FORD ISLAND CAUSEWAY

Question. Does the State have funds to execute such an agreement?

Answer. The State has not budgeted funds to execute the agreement. The State proposes to select a developer who will fund the Navy improvements and also develop the Manana and Pearl City Junction properties.

Question. Do you foresee any delay for environmental reasons?

Answer. No. Environmental documentation should be completed in the fall of 1990. This would not delay construction.

STRATEGIC HOMEPORTING—BATTLESHIP MISSOURI

Question. With the deactivation of the Battleship New Jersey which is currently homeported in Long Beach, is the Navy reconsidering the possibility of homeporting the Battleship Missouri at Long Beach Naval Station rather than Pearl Harbor?

Answer. The Base Realignment and Closure Commission recommended that a battleship and two cruisers be realigned from Hunters Point, CA, to Pearl Harbor, and the Navy plans to comply with that recommendation. However, the Navy is reviewing its shore infrastructure requirements in the face of anticipated force level reductions and the results of the review could precipitate considerations for further homeport realignments.

LONG BEACH—IMPACT OF DEACTIVATION OF BATTLESHIP NEW JERSEY

Question. With the deactivation of the Battleship New Jersey, how does this impact on facility requirements at Long Beach Naval Station?

Answer. Long term impact on facility requirements at Naval Station Long Beach arising from deactivation of the New Jersey will be carefully assessed during the current study of Navy shore infrastructure. The Navy's current request for wharf utility improvements and Family Housing remain valid requirements regardless of the presence of a battleship at Naval Station Long Beach.

Question. Do you still consider the FY 1991 request of \$28.5 million for family housing and wharf facilities upgrade at Long Beach Naval as valid priority projects in view of the deactivation of the Battleship New Jersey and the possible closure of Long Beach Naval Shipyard?

Answer. The 300-unit family housing new construction project included in the Fiscal Year 1991 program is required to meet the needs of families stationed at Naval Station Long Beach, not at the Naval Shipyard. The closure of the shipyard, which is almost entirely a civilian operation will not have an impact on the requirement for housing at Long Beach. Only 31 sailors with families are stationed at the shipyard. The housing requirement at Naval Station Long Beach remains extremely critical, even if the Battleship New Jersey is retired. The latest survey reflects a projected shortage of 1,364 houses. A recent market analysis validates this projection based on the lack of suitable land, development restrictions, and the critical shortage of affordable rental and sales community assets.

The wharf facilities upgrade is required to provide adequate power for ships homeported at the Naval Station and is not driven by the presence of the battleship nor affected by possible closure of the Naval Shipyard Long Beach.

STATEN ISLAND STRATEGIC HOMEPORT

Question. Secretary Cheney has announced the deactivation of the two battleships, along with the possible closure of the entire Navy complex in the San Francisco area. This has undoubtedly

caused the Navy to reexamine its force structure in terms of where ships will be homeported. In the case of the strategic homeport at Staten Island, has the Navy decided which ship will be assigned to Staten Island since the Battleship Iowa is targeted for retirement?

Answer. The Navy is in the process of analyzing force structure, and a replacement ship or ships for the Iowa have not been determined at this time.

MARINES—IMPACT OF BASE REALIGNMENTS

Question. General Adams, under the first round of base closures the Marines were not tagged with any base closures and under the new round you are not recommending any base closures. Can you briefly explain why the Marines are not affected by closures?

Answer. The Marine Corps base structure was critically examined by the Defense Secretary's Commission on Base Realignment and Closures in 1988. The fact that the Commission did not recommend any Marine Corps closures is reflective of an apparent conclusion that the Marine Corps base structure is fully utilized and capable of efficiently supporting mission requirements. While the Marine Corps has not undertaken any closure studies during this current initiative, it is premature to state the Marine Corps will not study some base structure realignments in the foreseeable future. Although the Marine Corps continues to have no excess internal basing capacity, the continuing realignments occurring throughout the Department of Defense may provide an opportunity to study cost saving and/or improved training alternatives. If such an opportunity does materialize, the Marine Corps would vigorously pursue it through to a logical end.

WASHINGTON—LEASED SPACE

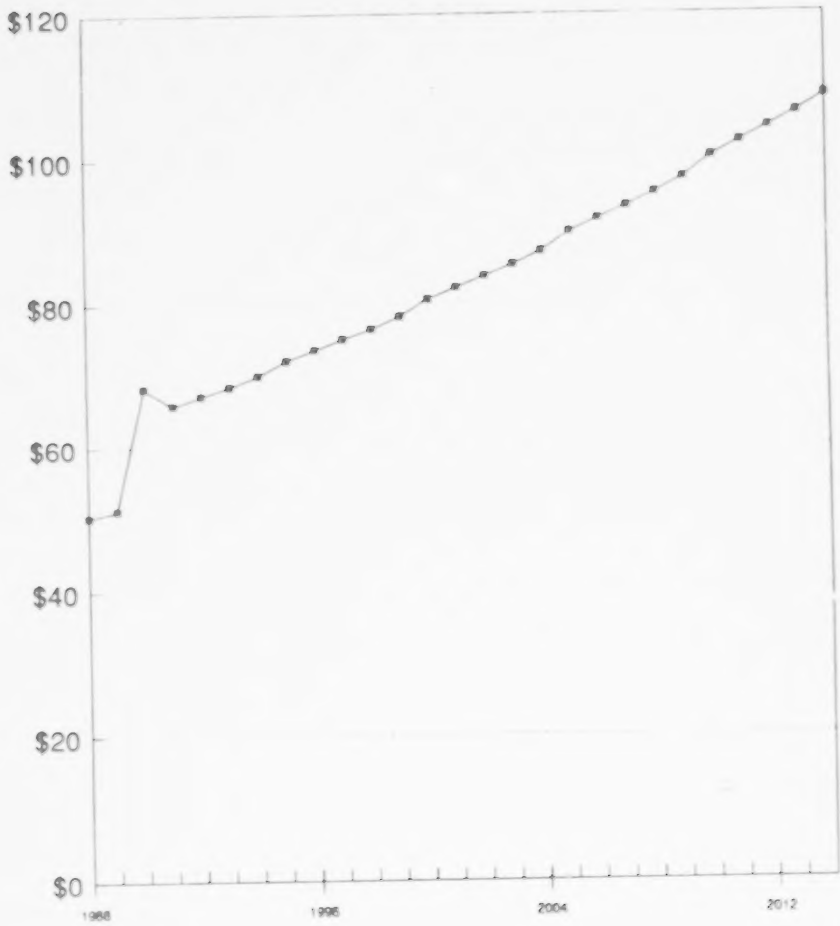
Question. Can you tell me if the Navy has relocated any functions or mission out of the Washington area in the last several years?

Answer. 1989: Relocated Naval Security Coordination Team, made-up of about 50 military specialists, from NOS Indian Head, MD, to Norfolk, VA. Facilities in Norfolk provided through minor construction. 1985: Naval Material Command disestablished. About 450 positions eliminated from Washington area.

Question. Provide for the record the current and projected lease rates for Crystal City, including the Hoffman Building.

Answer. The lease rates for Crystal City and the Hoffman Building vary according to the building and the year in which the lease was entered into. Generally, those leases made in the early 1970s have annual rental rates around \$5 to \$7 per square foot. Rates for space leased in the late 1980s have rates around \$25 per square foot. The total amount of "RENT" the Navy paid to GSA for Crystal City and the Hoffman Building is \$68,240,000. Below is a chart showing the projected "RENT" through fiscal year 2014.

CRYSTAL CITY ALTERNATIVES ANNUAL COST



(in millions)

Question. Are there any projects programmed for the outyears at the Washington Navy Yard?

Answer. The Navy plans to continue to convert buildings at the Washington Navy Yard into administrative spaces during the 1990's. A project planned near-term to facilitate this conversion plan is the conversion of a helicopter hangar at Anacostia Naval Annex to a warehouse. This will allow warehouse functions now located at the Navy Yard to move and free up a building for conversion to administrative offices in a follow-on year. Other projects planned at the Washington Navy Yard include: upgrade of the fire protection sprinkler system in one building; upgrade to the existing hazardous material storage facility; and a child development center.

PHILIPPINES

Question. How long do you envision it would take the Navy to vacate Subic Bay? Is a year sufficient time?

Answer. Whether the Navy vacates all or part of Subic Bay is entirely dependent on the outcome of base rights negotiations with the Government of the Philippines. There is no way to project a timeframe for withdrawal at this time. The Navy is considering various alternatives to long-term presence in the Philippines. The plans and studies are sensitive and are part of our negotiating strategy.

Question. Do you know if we have any rights to residual value for facilities in the Philippines as we do in Europe?

Answer. Since the signing of the latest amendment to the Military Base Agreements between the United States and the Government of the Philippines in 1979, the Philippine Government has exercised control over the Subic Bay Naval Complex. The U.S. Navy is, therefore, now a tenant of the Armed Forces of the Philippines. In the event that the United States withdraws from the Philippines in part or entirely, the United States and the Government of the Philippines worked out an agreement in 1988 with regard to transfer of facilities. The Government of the Philippines does not want the permanent facilities dismantled and removed if the United States Navy was to move from Subic Bay. The 1988 agreement states that, in the event the United States military leaves its bases, all permanent facilities will be turned over to the Government of the Philippines without recompense.

Question. I note that the family housing deficit in the Philippines is 1,140. What is being done to protect the families there? Are you reducing the number of accompanied tours?

Answer. Over 2,800 military members, including 1,400 with families, live off the base at Naval Base, Subic Bay, Philippines, in private rental units in Olongapo City, which is adjacent to the base.

The political unrest in the Philippines has caused several incidents of vandalism, robbery and other acts of physical violence to Americans living in the community. They are continuously vulnerable to dangerous situations. As a result, members have been advised to be cautious about where they go and not to travel outside the city limits after sundown. The local police are cooperating with base officials and keeping an eye on any signs of unrest. Military

members living on-base must return to the base by 2300 hours. No restrictions have been placed on accompanied tours. However, the situation is being closely monitored.

STRATEGIC HOMEPORTING—TOTAL COSTS

Question. I see where the Navy has been able to stay within the 5 year cap of \$799 million for strategic homeporting. However, we recognize that this does not constitute completion of the homeports in terms of funding. Could you provide for the record, the Navy's estimated funding requirements for strategic homeporting for the next 5 years?

Answer. The \$799 million Strategic Homeporting Program was originally based on a five-year (FY86-FY90) execution plan. Funding for the basic facilities planned for the homeports at New York and in the Gulf has been provided through FY90. At Everett, program stretchout due to environmental/legal delays and funding deferrals will result in funding of the balance of its basic \$272 million program beyond the original Strategic Homeporting Program timeframe. If the FY91 request is approved, approximately \$60 million of the original \$272 million program will remain unfunded. Additional facilities that may be required at these ports will compete for fleet funding resources in the outyears. Changes require reevaluation of our shore infrastructure plans, and the Navy is conducting a thorough review of its shore establishment to ensure that infrastructure is adequate, within available resources, to support expected force levels.

RELOCATABLE OVER-THE-HORIZON RADAR

Question. The Committee provided \$21 million in fiscal year 1989 for the initial phase of an Over-the-Horizon Radar System in Guam. My understanding is that this project is delayed because of environmental problems and unavailability of an alternate site. When does the Navy expect to reconcile these problems?

Answer. It is correct that the approved project providing \$21,000,000 in Fiscal Year 1989 for the initial phase of Relocatable Over-the-Horizon Radar (ROTHR) in Guam is delayed because of siting and environmental issues. The situation is compounded by the critical habitat designation which may prevent ROTHR siting at Northwest Field, Anderson, AFB. The alternate, Harmon Annex site, is part of the designated excess land area. The Navy expects to reconcile the environmental issues with a SECNAV Record of Decision (ROD), in July 1990. If the siting issues result in the Navy using Northwest Field, the preferred site, construction award is expected in November 1991 with completion in April, 1993. Siting on the Harmon Annex will delay construction award until March 1992, with completion in August 1993.

ROTHR—BRAWDY U.K.

Question. The Navy is requesting \$1.7 million for a Relocatable Over-the-Horizon Radar at Brawdy, United Kingdom. Explain why this amount does not qualify for NATO funding.

Answer. The United Kingdom is paying \$20,000,000 towards the construction cost of this joint-use facility, under a bi-lateral cost

share arrangement. The \$1,740,000 U.S. share will cover features to be retained for sole U.S. use, e.g.:

1. Internal and inter-site system communications facilities.
2. Facility requirements for specialized equipment to include spares and special test equipment.
3. Facilities to meet U.S. connectivity requirements.
4. Security (physical) requirements above the minimum provided by the Memorandum Of Understanding.
5. Upgrade of facilities to meet U.S. Quality-of-Life standards.

Question. Our understanding is that the Navy did not foresee the need to replace the existing trestles when it made the decision to establish Earle, New Jersey as the new homeport for ammunition ships. Now we understand that the trestles must be replaced and that it will cost \$85 million to effect that replacement. Would the Navy have chosen Earle, New Jersey to be the homeport if it knew that such replacement at a cost of \$85 million would be required?

Answer. Yes, Earle, New Jersey would probably still have been chosen for homeporting the ammunition ships. It is the only port that can simultaneously berth two fully loaded AOE's without casting their explosive quantity-distance arcs over many nearby people and facilities.

CHILD CARE CENTERS

Question. The Navy has not requested any child care centers in the Fiscal Year 1991 budget. Is this due to the Committee's initiative which funded child care centers last year?

Answer. Yes. The Navy had two Child Care Centers in the Fiscal Year 1991 MILCON budget request. Congress moved the two projects to Fiscal Year 1990 and Navy was unable to program other projects.

Question. Can you provide for the record child care centers programmed for Fiscal Year 1992 along with the design status?

Answer. The Navy is strongly considering three Child Development Center projects for Fiscal Year 1992. These projects will undergo the normal budget review, during the summer and fall, to determine if they will be part of the FY 1992 President's Budget. All projects must achieve 35% design in order to be included in the FY 1992 Budget. Design status and fiscal constraints will determine the location and number of child care centers.

Question. My understanding is that the Navy plans to construct 4 child care centers through public/private ventures. Provide for the record the list of those centers.

Answer. The following centers have been included in the Navy's Fiscal Year 1991 Public/Private Venture Program:

P-008, Child Development Center, Naval Air Engineering Center, Lakehurst, NJ

P-009, Child Development Center, Naval Air Propulsion Center, Trenton, NJ

P-786, Child Development Center, Naval Station, Norfolk, VA

P-367, Child Development Center, Naval Undersea Warfare Engineering Station, Keyport, WA

Question. Will those centers be mainly for civilians?

Answer. Yes, the centers will be primarily for civilians. However, the center at Norfolk, will also includes a large proportion of military dependents.

Question. What is the Department's policy on fees for civilians?

Answer. Navy Department policy regarding fees for civilians at public/private venture centers is that they are not restricted to the affordability limits that apply to military members (i.e., weekly salary). Centers for civilians may be subsidized with appropriated funds for the cost of the facility and the utilities. Civilian user fees and charges are expected to cover operating expenses. Operating expenses (beyond utilities) may be subsidized using civilian non-appropriated funds.

NATO ELIGIBILITY

Question. Provide for the record a list of projects that are NATO eligible and are being requested under prefinancing arrangements.

Answer. There are no NATO eligible projects in the Fiscal Year 1991 Budget Request for which prefinancing is being requested.

Question. Provide for the record a list of projects that are being jointly funded with NATO funds.

Answer.

(Dollars in thousands)

			Cost shares	
			United States	NATO
P-802	NCS Keflavik	Communication Center	10,248	14,650
P-301	NF Brawdy	ROTHR	1,740	¹ 20,000
P-463	NAS Keflavik	Fuel Facilities	2,440	26,370
P-424	NSB New London	Thames River Dredging	8,350	5,650

¹ U.K. unilateral funding

MUTUAL AID ASSOCIATION

Question. Provide for the record the location of a 62,000 square foot building to be built using Navy Mutual Aid Association funds.

Answer. The Navy Mutual Aid Association Building will be located at Henderson Hall, Arlington, Virginia.

BARRACKS K LAND ACQUISITION

Question. Your budget request for land acquisition includes funds for 14 acres at the Navy Annex in Arlington, Virginia. Does the Navy hold the deed/title to this land?

Answer. The United States has held title to the Barracks "K" property for over twenty years. Custody and accountability for the property within the federal government was transferred from the Department of Transportation to the Navy on July 14, 1989.

Question. If no funds are appropriated to reimburse GSA, what will happen? Will they just find a way to make it up in user charges?

Answer. We do not know. Under the Federal Property Management Regulations transfers of real property can be made without reimbursement under two conditions:

Congress has specifically authorized the transfer without reimbursement; or

The Administrator of General Services with the approval of the Director, Office of Management and Budget, has approved a request for an exception from the 100 percent reimbursement requirement.

If Congress decides not to appropriate funds for the transfer (nor to authorize a no cost transfer), it will be up to the Administrator to determine what action to take. We do not believe that GSA can make up the cost in user charges because the Barracks "K" property is not "Federal Building" property for which they would charge agencies to use.

BIDDING CLIMATE

Question. What is the average number of bidders per project today as compared to several years ago?

Answer. The average number of bidders per project over the last year is about eight to nine. This average is slightly higher than the average several years ago. For example, the average in fiscal year 1985 was 6.7 bids.

Question. Do you expect to see less or more competitive bidding in the next several years?

Answer. The trend looks good for more competitive bidding. As long as the economy continues on its present trend, we should see a slight improvement.

PACKAGED CONTRACTS

Question. You indicate that seven projects in the Navy's program include packaged construction contracts. Can you estimate in percentage terms what the potential savings might be through packaging of these projects?

Answer. Actual savings will be dependent on a number of factors, many of which are related to market conditions prevalent when these projects are advertised for construction. We would normally expect at least a 5% savings. However, when market conditions such as inflation and bidder interest change significantly from the time the estimate was prepared, there can be a significant impact on the potential savings.

PACKAGED CONTRACTS

Question. Provide for the record the list of packaged projects in the fiscal year 1991 budget.

Answer. Listing of packaged projects follows:

FY 1991 design packaging:	
117 NAVSTA Everett WA/Security and Fire Station Facilities	1,760
145 NAVSTA Everett WA/Communication Center	1,660
Total	3,420
082 NAVSTA Everett WA/Utilities and Site Improvements	2,070

Note: Packaged for design with FY 1987 MCON projects P-113, Seawall and Shoreline Improvements (\$15,700,000) and P-115, Utilities and Site Improvements (\$19,070,000); and a portion of FY 1988 MCON project P-905, Carrier Support Complex (III) (\$5,000,000); NAVSTA Everett WA.

807 SWFPAC Silverdale WA/Radiographic Inspection Building..... 13,870
809 SWFPAC Silverdale WA/Motor Inspection Building 6,630

Total 20,500

Note: Design package includes FY 1993 MCON projects P-939, Missile Assembly Building Modification (\$6,230,000); P-944 Support Equip Stor Bldg (\$690,000).

408 MCDEC Quantico VA/Operations, Urban Terrain 3,870

Note: Packaged for design with UMC project P-426, Combat Assault Training (\$860,000), MCDEC Quantico VA.

806 SWFPAC Silverdale WA/Engineering Services Building 3,520

935 SWFPAC Silverdale WA/Training Facility Addition 9,740

Total 13,260

937 SWFPAC Silverdale WA/Missile Assembly Building 7,340

957 SWFPAC Silverdale WA/Transfer Facility Addition 3,520

Total 10,860

Note: Packaged for design with FY 1989 MCON project P-803, Inert Components and Control Building Addition (\$7,250,000); SWFPAC Silverdale WA.

346 NAS Miramar CA/Topgun Academic Facility 4,040

888 NAS Miramar CA/Weapons School Addition 1,420

Total 5,460

889 NAST Whidbey Is WA/Ops & Maint Training Fac (I) 19,100

Note: Design package includes FY 1992 MCON project P-890, Applied Instruction Bld Addition (\$5,200,000); NAS Whidbey Is WA.

050 REFITFAC Bangor WA/Hazardous and Flammable Storehouse 2,110

Note: Packaged for design with FY 1993 MCON project P-040, Supply Warehouse (\$14,500,000), REFITFAC Bangor WA.

171 NWS Seal Bench CA/Weapons Test & Evaluation Fac 8,850

Note: Packaged for design with FY 1992 MCON project P-151, Missile Production Fac (\$9,250,000), NWS Seal Beach CA.

FY 1991 construction packaging:

807 SWFPAC Silverdale WA/Radiographic Inspection Building..... 13,870

809 SWFPAC Silverdale WA/Motor Inspection Building 6,630

937 SWFPAC Silverdale WA/Missile Assembly Building 7,340

Total 27,840

346 NAS Miramar CA/Topgun Academic Facility 4,040

888 NAS Miramar CA/Weapons School Addition 1,420

Total 5,420

889 NAST Whidbey Is WA/Ops & Maint Training Fac (I) 19,100

Note: Packaged for construction with FY 1992 MCON project P-890, Applied Instruction Bldg Addition (\$5,200,000); NAS Whidbey Is WA.

SMALL BUSINESS SETASIDES

Question. What part of your current program goes to small business and minority business set asides? I assume it's a great portion.

Answer. In fiscal year 1989, 67 percent of the total dollar value for all Naval Facilities Engineering Command contracts were awarded to small business. Of those small business awards, nearly

47 percent of the total dollar value were small business set-asides with an additional 10 percent being awarded to small disadvantaged businesses.

LEASE-PURCHASE OF FACILITIES

Question. What are the Navy's plans for using the new authority provided last year for lease-purchase of facilities?

Answer. The Navy's plans include an analysis of the feasibility of acquiring projects using the authority of 10 USC 2812. This analysis will look at a number of factors, including the implications of eventual Government ownership on the annual project lease costs. The Navy is reviewing its project requirements to determine the most suitable candidates for lease-purchase. The types of projects under consideration include administrative office facilities, warehouse and supply facilities, bachelor quarters, and child development centers. Based on these studies, no more than 3 projects will be pursued in FY-90, 5 in FY-91, and 5 in FY-92, as limited by the legislation.

CONSTRUCTION MORATORIUM

Question. Please submit for the record a list of exemptions you have requested to date from the Secretary's moratorium on contract awards, and the disposition of these requests. Has an exemption been approved for Naples?

Answer. Status of exemptions to Secretary of Defense Moratorium as of March 9, 1990, is as follows:

Approved by Secretary of Defense:

Fiscal Year:

1989 P-125	Relocation Phase I	NSA Naples IT
1990 P-480	Flight Equipment Lab	NATC Patuxent River, MD

Endorsed by Secretary of the Navy to Secretary of Defense:

P-989	Hurricane Hugo	NS Roosevelt Rds, PR
	Restoration (Design)	NS Charleston, SC
P-027	Survey Support Facility	NSC Cheatham Annex, VA
P-187	Transmitter Facility	NCS Niscemi, IT
H-809	Housing	NAS Keflavik, IC
P-931	BEQ	NAS Adak, AK
P-026	Harpoon Magazine	NAS Adak, AK
P-121	Aircraft Refueling Facility	NAS Adak, AK
P-939	Fleet Hospital	NAS Adak, AK
VAR	UMC Program (Nine Projects)	Various
P-106	Centrifuge Facility	NAS Lemoore, CA
P-021	Fire Fighting Trainer	NSTC Pearl Harbor, HI
P-111	Land Acquisition (Minor Constr)	NRC Green Bay, WI
P-226	Land Acquisition (Urgent Land)	NAS Chase Field, TX
P-189	Mess Hall Addition	MCRD San Diego, CA

Pending Defense Medical Facilities Office Request Supported by Secretary of the Navy:

Fiscal year 1990 P-002	Hospital (Phase I)	NH Portsmouth, VA
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Question. Is it correct that the Secretary's moratorium may have significant impact on your fiscal year 1992 program by delaying design?

Answer. Yes. Unless the OSD waiver to begin FY 1992 design is approved, we will not start the design for most of the fiscal year

1992 projects until May and not all of that lost time can be made up.

Question. Is the moratorium going to cause problems in program execution? For example, would you expect that the moratorium might be reflected in the number and quality of bids?

Answer. Possibly. The moratorium has caused a certain amount of compression in time by deferring three months of awards into May and later. But, we are trying to mitigate that effect by continuing to open bids during the moratorium.

PROJECTS NO LONGER REQUIRED

Question. Are there any projects requested in the budget that cannot or will not be put under contract in fiscal year 1991, due to base closure, bilateral or multilateral negotiations, or other reasons? If so, please provide a list of such projects (including family housing improvement projects).

Answer. There are three projects in the budget at candidate closure and realignment sites:

	Thousands
NOS Louisville, KY, PHALANX Shop Modernization	\$5,660
NSY Long Beach, CA, Asbestos Removal Shop.....	500
NAS Bermuda, Housing Office.....	378

The Louisville and Long Beach projects are required to eliminate serious production, health and safety deficiencies and will be urgently required if it is determined after studies are complete that the activities are not to be closed. The housing office at Bermuda is still required even if the proposed realignment at that activity is accomplished.

In Europe there is one project that is no longer needed:

PERSUPACT London, Pay and Personnel Support Office \$442K
After the budget was submitted to Congress, the United Kingdom found space within one of their bases for this function. Military construction is not required for conversion.

There are no family housing new construction projects that cannot be executed in fiscal year 1991. The following fiscal year 1991 family housing improvement projects will not be executed if it is decided to close these bases and will be replaced by other critically needed improvements:

(In thousands)

Location	Number of units	Amount (thousands)
PWC San Francisco, CA	560	\$1,615.7
PWC San Francisco, CA	260	614.1
PWC San Francisco, CA	30	505.8
NS Philadelphia, PA	200	3,807.8

DESIGN LEVEL

Question. Are there any fiscal year 1991 projects that are not at the 35% design level?

Answer. There is only one project in the fiscal year 1991 budget request that is not at 35% design. The project is a \$1,650,000 demilitarization, test and evaluation facility at NWSC Crane, Indiana that is part of the 1991 Productivity Investment Fund program. Economic analysis indicates a payback period of less than one year. The project will be at the 35% design level by July 1990.

[CLERK'S NOTE.—End of questions submitted by Chairman Hefner.]

[CLERK'S NOTE.—Questions for the record submitted by Mr. Lowery.]

FACILITIES REVITALIZATION AND IMPACT OF BASE CLOSURE

Question. What is the current backlog of facilities revitalization for the Navy.

Answer. The current Department of the Navy backlog of shore infrastructure is approximately \$16.9 billion. This figure includes Navy and Marine Corps deficiencies in fiscal year 1991 and beyond. The figure excludes family housing, contractor operated industrial facilities, reserve forces and Defense Agencies.

Question. Do you anticipate the proposed base closures will have any impact on this backlog?

Answer. Each of the facilities identified on the Secretary of Defense's list for potential closure has its own associated backlog of revitalization. If any of these activities were to be closed and excessed, some or all of the requirements would be eliminated from the total Navy backlog of revitalization. However, should an activity be placed in care-taker status, some backlog of maintenance and repair would remain to preserve facilities for potential reactivation.

Question. What additional construction is planned at the new homeports and what are the costs associated with it?

Answer. Funding for the basic facilities originally planned for the homeports at New York and in the Gulf has been provided through FY90. At Everett, program stretchout due to environmental/legal delays and funding deferrals will result in funding of the balance of its basic \$272 million program beyond the original Strategic Homeporting Program timeframe. If the FY 91 request is approved, approximately \$60 million of the original \$272 million program will remain unfunded. Additional facilities that may be required at these ports will compete for fleet funding resources in the outyears. Changes require reevaluation of our shore infrastructure plans, and the Navy is conducting a thorough review of its shore establishment to ensure that infrastructure is adequate, within available resources, to support expected force levels.

CHILD CARE CENTERS

Question. Why are there no child centers requested under the normal military construction process this year?

Answer. The Navy had two projects for Child Development Centers planned in Fiscal Year 1991 for Naval Training Center San Diego and Navy Postgraduate School Monterey. Congress advanced both projects to Fiscal Year 1990 during final mark-up in Decem-

ber 1989. Navy had no opportunity at that late date to insert replacement projects into the President's fiscal year 1991 request.

Question. Are the four child development centers requested under public/private venture to be used by civilians?

Answer. Yes, the centers located at Lakehurst and Trenton, NJ, and at Keyport, WA are primarily designed for use by DOD civilians. However, the proposed center at Norfolk will also include a large proportion of military dependents.

Question. How does the cost compare when doing a child care center by third party versus actual military construction?

Answer. The Navy has no information from its own experience, since it has not yet awarded any public/private venture contracts for child development. However, the Defense Department has awarded contracts for centers at the Pentagon and the Tracy Defense Depot, both of which have been completed and are operational. It is our understanding that based on a 20 year net present value analysis, the Tracy project will save approximately 13% when compared to military construction and the Pentagon project will save approximately 21%.

TROOP HOUSING FACILITIES

Question. Why is there a \$37 million decrease in requested funding for troop housing facilities as compared to last year?

Answer. The Department of the Navy bachelor housing request in fiscal year 1991 was never as robust as the fiscal year 1990 program. Additionally, the \$24,000,000 project for Phase II of Bancroft Hall expansion at the Naval Academy, Annapolis, Maryland was deferred as a direct result of Congressional action on the Phase I project in the 1990 request. Further deferrals of lower priority projects were also necessary due to overall budget reductions. Support of our fiscal year 1991 request will assist us in maintaining an adequate level of investment for bachelor housing in our future programs.

ENVIRONMENTAL CONCERNS

Question. What progress has the Navy made in identifying and meeting environmental concerns?

Answer. The Navy has been and will continue to conduct Environmental Compliance Evaluations at Navy and Marine Corps Activities to identify environmental problems and recommend corrective compliance actions. These compliance evaluations look at all environmental legislation and regulations. Projects to correct deficiencies are developed and submitted into the A-106 program for funding. Corrective actions relating to operations are taken immediately.

RELOCATABLE OVER-THE-HORIZON RADAR

Question. Provide for the record a breakdown of the facilities requested under Electronics Installations, \$31 million at Amchitka.

Answer. The essential Relocatable Over-the-Horizon Radar (ROTHR) support facilities in P-001 for Amchitka include facilities for the Base Camp, Transmitter Site, and Waterfront Area as follows:

General: Initial ROTHRA Antenna Site Preparation for the second array.

Base Camp:

- Sewer System and Sewage Treatment Plant Upgrade
- Potable Water System and Fire Protection Systems Upgrade
- Electrical System Upgrade
- Arctic Entries/Corridors
- Public Works Shops
- Fuel Vehicle Repair Shop
- Two Fuel Tanks (MOGAS and JP-5)
- Hazardous/Flammable Storage Facility
- Hazardous/Waste Transfer Facility
- Remodel Dry/Cold Storage Warehouse
- Morale, Welfare, and Recreation Building (provides for contingent overflow berthing)

- Administrative Space

- Remodel Galley

- Relocate/Upgrade Fire Pump House

- Upgrade Base Camp Roads

Transmitter Site: (North Camp)

- Public Works Shop/Garage

- Two Fuel Tanks (MOGAS and JP-5)

- Refrigerated Storage Facility

- Personnel Berthing, Eight Units

- Electronic Maintenance Facility

Waterfront Area:

- Supply Pier Upgrade

- Waterfront Building

- Two bulk storage fuel tanks

MIRAMAR NAVAL AIR STATION, CALIFORNIA—AIRPORT

Question. What would be the cost of relocating the entire operation of NAS Miramar to another site?

Answer. Cost to acquire up to 24,000 acres of land and construct replacement airfield, operations, training, maintenance, personnel support and utility facilities, including family housing and relocation costs, would approach \$10 billion. Navy realistically views such an expenditure as impossible in any budget climate and is not actively considering such a possibility.

Question. Could Miramar's mission be accomplished successfully at another base? Specifically at Camp Pendleton, or at a base proposed for closure, such as El Centro.

Answer. In order to support the west coast F-14 fighter squadrons and E-2 Airborne Early Warning squadrons a Naval Air Station must have infrastructure that would classify it as a Master Jet Base. The infrastructure consists of: runways at least 10,000 feet long (preferably longer); twin parallel runways to meet operation tempo and high sortie rates; one maintenance hangar module for each squadron not deployed (NAS Miramar has six maintenance hangars); an outlying field for touch and go practice; sufficient parking aprons; and personnel support facilities. Also needed is sufficient undeveloped property around the airfield to provide safety and noise zones. Close proximity to open water and Tactical Air-

crew Training ranges is also required. Miramar's mission could be moved to any airfield that has this type of infrastructure and an existing mission that is compatible with fighter aircraft and a operations schedule that would permit high sortie rates. NAS Miramar has flown between 266,000 and 320,000 operations per year. Camp Pendleton's current airfield cannot accommodate that number of additional operations. Expanding the airfield would degrade Marine Corps training. Relocation of the airfield elsewhere on Camp Pendleton would interfere with environmentally sensitive land, restricted airspace, artillery impact areas and ground training areas. NAF El Centro is saturated with operations from other air stations where the weather is not good enough to accomplish Field Carrier Landing Practice training. NAF El Centro is 140 miles from the overwater training area. This transit distance severely limits on-station time on the range for training. The local community around NAF El Centro is relatively small and could not handle an influx of 37,000 people now associated with NAS Miramar. Also, it is reasonable to expect opposition from agricultural interests in the Imperial Valley to any expansion of El Centro because of competition for water rights, land and housing.

Question. Would you outline the Navy's long-term plans and goals with respect to Miramar NAS?

Answer. The Navy plans to retain NAS Miramar long-term as a Master Jet Base for its Pacific Fleet fighter and airborne early warning aircraft squadrons. The base was developed from the ground up as a Master Jet Base in 1951, and the infrastructure is in relatively good condition. It has close proximity to operating areas, training ranges and the Pacific coastline.

Question. What is the feasibility of converting NAS Miramar to a joint use operation?

Answer. U.S. Navy high-performance fighter aircraft operations at NAS Miramar would conflict with commercial aircraft operations. Safety is one of the most important reasons to not mix Navy and commercial operations. The high volume of military air traffic, combined with an equally high volume of commercial operations, would produce 643,000 or more operations per year in airspace that is saturated at 400,000. This over saturation would greatly increase the potential for mid-air collision. Airspace overcrowding and the necessity of mixing unlike aircraft and traffic patterns would cause a substantial increase in air safety hazards. Approach patterns for fighters are significantly different from those of heavier commercial aircraft.

Question. Could part of Miramar's mission be successfully relocated to produce an operation conducive to joint use?

Answer. No. Part or all of a commercial airport operations would not be compatible with any of the Navy's tactical aircraft operations. The Department of Defense, Department of Transportation, Federal Aviation Administration and General Accounting Office have all found that high performance military operations (such as the fighter aircraft at NAS Miramar) are incompatible with the operation of a commercial airport. The primary reason is safety. Military and commercial flight patterns are too dissimilar to be compatible in a safe environment. A secondary reason is that joint operations will severely degrade military training and readiness. Any

delays caused by commercial aircraft could severely degrade the training required to meet the demands of the Navy squadrons' readiness and mission. Use of training areas are limited to rigidly scheduled time periods. Delayed takeoffs can cause an aborted mission. If an aircrew fails to enter an operating area on time, it forfeits the right to use the training area. The loss of training due to departure delays and missed takeoff times would waste tax dollars. Joint use of Miramar would cause delays in takeoffs, forfeiture of training area time, and loss of ability to fly visual overhead patterns and Fleet Carrier Landing Practice, substantially degrading military flight operations. There are several instances where joint use is conducted successfully. These bases are all characterized by low number of military operations and/or similar aircraft, such as large Air Force cargo airplanes, which are essentially the same as commercial aircraft in size, speed, and flight patterns.

SAN DIEGO NAVAL HOSPITAL: PEDIATRIC HEALTH CARE

Question. What is the status of the report that was due on March 1st covering specialized pediatric health care services in the San Diego region?

Answer. The report was forwarded on March 8 by the Navy Surgeon General to the Secretary of the Navy and will be forwarded to Congress by 1 April 1990.

Question. In light of budget restrictions and personnel shortages, does a program like NAVCARE Clinics offer alternatives to the Navy's own facilities?

Answer. Effectively delivering high quality primary care, standalone full-service options such as NAVCARE clinics offer a very cost-effective alternative to Navy direct care facilities. Patient satisfaction for the two San Diego area facilities is high and they generated over 166,000 visits last year, significantly increasing the availability of primary and pediatric care in the area.

Question. Based on the success of the NAVCARE clinics, do you see forming long-term agreements with civilian health care facilities to supplement the need for increased Navy health-facilities?

Answer. Alternative health care delivery vehicles such as NAVCARE contracts will be required by Navy Medicine as long as the demand for care exceeds the in-house supply. The period of any health services contract is governed by requirements for fair competition set forth in the Federal Acquisition Regulations which limit any such contract to a total of five years including all options. This obviously precludes an agreement with a single civilian health facility in excess of this duration.

Question. I understand the incidence of child abuse in the military is increasing at an alarming rate. Does the Navy presently have adequate resources and facilities to deal with this problem? Would civilian facilities provide greater flexibility for the Navy in handling these cases?

Answer. We are not able to provide the kind of services necessary to handle all the needs involved with child abuse cases. In child sexual abuse cases in the San Diego area, we do rely on civilian facilities and providers, primarily Childrens Hospital.

CHILD CARE CENTER, MIRAMAR; CHILD CARE CENTER, NAVAL SUB BASE

Question. Last year this committee directed the Navy to initiate design and include in this year's budget a request for two child care centers in San Diego: one at Miramar Naval Air Station and the other at the Naval Sub Base. Why were these not included in the request?

Answer. Neither project qualified for the fiscal year 1991 budget submission due to design status. These projects are currently competing for future year funding in the ongoing Navy program objectives memorandum process for fiscal years 1992 through 1997. The Navy remains fully committed to providing adequate child care facilities for its personnel.

Question. Has any effort been made to look at the possibility of a third party venture to construct the child care center at Miramar?

Answer. Yes, Naval Air Station Miramar is examining all options to solve the child development shortage, including the potential pursuit of a public/private venture to satisfy its military requirement.

BROADWAY COMPLEX

Question. What is the current status of the Broadway Complex?

Answer. The coordination of plans for the project with the Broadway Complex Coordinating Group, required by the authorizing statute, was completed on 22 September 1989 with approval of the Central Bayfront Design Principles. The Navy and the City are now finalizing a Development Agreement incorporating these principles. Environmental documents which meet both federal and state requirements will be released for agency and public comment in April.

Question. When do you anticipate reaching a Development Agreement with the City and soliciting bids for development?

Answer. Execution of the Development Agreement is anticipated in late FY-90 following completion of the environmental process. A developer solicitation will be released shortly thereafter.

RECRUIT CHAPEL AND SUPPORT CENTER, NTC SAN DIEGO

Question. Is it true that the Naval Training Station in San Diego is the only recruit training center throughout all the Armed Services without a chapel?

Answer. Yes. All other Armed Services recruit training centers have a chapel designated specifically for recruits. The need for a chapel is well substantiated. Approval of the Navy's FY 1991 request for this facility will alleviate an obvious shortcoming.

Question. Without this project, what would be the impact on the some 29,000 recruits that enter the Navy through this training station every year?

Answer. Opportunities for the command to meet its responsibility to provide for the free exercise of religion of military personnel would continue to be severely restricted. San Diego recruits will continue to be denied the opportunities, which are afforded recruits at all other locations, for religious and moral support during a difficult acculturation process.

Question. Without a current chapel, what facilities are being used for religious services?

Answer. Worship services are being held in a number of inadequate spaces, including a World War II era base theatre, where recruits often sit or stand in the aisles (or even outside the building, using a loudspeaker system). These buildings do not provide opportunities for special worship needs in support of religious free exercise in a pluralistic environment, and during peak loading times also become sources of concern for physical safety, including fire hazard.

Question. Without this project, what would be the impact on the some 29,000 recruits that enter the Navy through this training station every year?

Answer. Opportunities for the command to meet its responsibility to provide for the free exercise of religion of military personnel would continue to be severely restricted. San Diego recruits will continue to be denied the opportunities for religious and moral support during a difficult acculturation process which are afforded recruits at all other locations.

TACTICAL AIRCREW COMBAT TRAINING SYSTEM (TACTS) MIRAMAR NAS

Question. What is the current condition of the TACTS facilities at Miramar NAS?

Answer. Temporary trailers are now in use which neither meet mission requirements nor accommodate updated, state-of-the-art equipment used in debriefing flight crews after tactical training flights on nearby maneuvering ranges. The MILCON project urgently required, designated P-254, Tactical Aircrew Combat Training System (TACTS) Facility, at a cost \$1,300,000, is a strong candidate for Navy's Fiscal Year 1992 program. Design concept calls for 6,500 square feet to house this function. Consideration was given to incorporating TACTS space into the Fiscal Year 1991 TOPGUN Academic Facility now before the committee. However, it would be necessary to include 5,000 square feet additional scope to the TOPGUN building, to a new total of 35,200 SF. While some economy of scale in construction and operations would result, designated construction slippage and additional cost of \$900,000 would result to the TOPGUN Fiscal Year 1991 project. As a result, the concept is not being pursued and P-254 is continuing to be pursued as a separate project.

NAPLES SUPPORT ACTIVITY

Question. In the Navy's recent report on its plans for its Naval Support Activity (NSA) in Naples, Italy, the statement is made that the "Capodichino Development Plan" will be made available. When will this plan be made available to the Subcommittee?

Answer. The report in the question is understood to be the "Report on Navy's Proposed Development Plan and Use of Fiscal Year 1989 Military Construction Appropriations," of February 1989, which was forwarded to the Subcommittee by DASD(ISP) letter of 17 March 1989. The final "Capodichino Development Plan, June 1989," is available and a copy will be delivered to the Subcommittee staff.

Question. For the 3-story medical facility proposed for the new compound discussed in the "Capodichino Development Plan", what amount will be requested in the Fiscal Year 1992 budget?

Answer. Design of the Proposed Fiscal Year 1992 hospital has not been awarded, due to the moratorium imposed by SECDEF. Once design progress is made towards the 35% level, a credible budget figure will be known. The hospital is to be located on the site of the existing, substandard dining hall. Design scope will therefore include a replacement dining facility to jointly serve the hospital patients and staff, and all other Capodichino based personnel.

Question. According to the Navy's February 1989 report, the Navy completed an Acquisition Strategy Study on leased support facilities in April 1989 and prepared a Request for Proposals (RFP) in September 1989. Will the Navy made either or both of these documents available to the Committee?

Answer. The scheduled for acquisition of the leased support site has been updated since release of the February 1989 report. Present support site acquisition schedule is:

May 1990.....	Coordination Conference
July 1990.....	Brief Ministry of Defense, Italy (MODI) on Concept RFP
September 1990.....	Coordination Conference
September 1990.....	MODI Comments on RFP Concept
September 1990.....	Draft RFP
November 1990.....	Comments on RFP Received
December 1990.....	Selected Proposers List complete
January 1991.....	Issue RFP
March 1991.....	Proposals Received
May 1991.....	Technical Review Complete
June 1991.....	Selection Approved by Commander in Chief, Atlantic
July 1991.....	Chief of Naval Operations Concurrence
August 1991.....	Congressional Concurrence
September 1991.....	Award of Lease for Initial Support Site Facilities

A "Feasibility Study/Implementation Plan for Support Facilities NSA Naples—Final Report March 16, 1989," was prepared for the Navy by Delta Research Corporation. A copy will be given to the Committee.

Question. What are the Navy's cost estimates for leasing the new community support facilities desired by the Navy, and what is the approximate timetable for this new leasing effort?

Answer:

May 1990.....	Coordination Conference
July 1990.....	Brief Ministry of Defense, Italy (MODI) on Concept Request for Proposals RFP
September 1990.....	Coordination Conference
September 1990.....	MODI Comments on RFP Concept
September 1990.....	Draft RFP
November 1990.....	Comments on RFP Received
December 1990.....	Selected Proposers List complete
January 1991.....	Issue RFP
March 1991.....	Proposals Received
May 1991.....	Technical Review Complete
June 1991.....	Selection Approved by Commander in Chief, Atlantic
July 1991.....	Chief of Naval Operations Concurrence

August 1991..... Congressional Concurrence
 September 1991..... Award of Lease for Initial Support Site Facilities

Annual lease cost will be subject on many variables yet to be defined, including availability of host nation land, ownership, term of leases buy-out and lessor's equity provisions. It would be premature to state cost estimates at this time.

[CLERK'S NOTE.—End of questions submitted by Mr. Lowery.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Fazio.]

MARE ISLAND NAVAL SHIPYARD, CALIFORNIA

Question. No construction or capital improvements projects at Mare Island Naval Shipyard were included in the Administration's Fiscal Year 1991 Budget. Were any Fiscal Year 1991 military construction projects requested by the Navy for Mare Island?

Answer. Two projects for Mare Island Naval Shipyard were included as part of the Navy's Fiscal Year 1991 Military Construction Program in its initial formulation in 1987. Due to funding constraints and other more urgent priorities, these projects, as well as needed projects at other shipyards, were deferred to later year's programs.

PUBLIC SHIPYARDS

Question. The infrastructure of all of our military installations is deteriorating rapidly. I understand that our public shipyards are no exception to this trend and that they also need significant improvements in infrastructure. Does the Navy have any long-term plans for the modernization of our public shipyards? If so, please provide for the record projects which will be undertaken to achieve this modernization.

Answer. Our Naval shipyards do need significant improvements in infrastructure. The attached list of projects, by shipyard, to achieve this modernization is provided.

MAJOR MODERNIZATION AND UPGRADING NEEDED FOR NAVY SHIPYARDS

(Projects over \$5,000,000, in random order.)

Portsmouth Naval Shipyard, Kittery, Maine

Pier Modernization (Berths 11, 12 and 13), including Central Utility Plants and Distribution,
 Pier Modernization (Berth 6),
 Paint and Blasting Shop,
 Dry Dock #2 Modernization and Cover,
 Supply Warehouse Consolidation,
 BEQ and BOQ, and
 Transducer Repair Facility.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania

Paint and Blasting Shop Addition,
 Upgrade Waterfront Utilities,

Utility System Improvements, and
Foundry Renovation.

Norfolk Naval Shipyard, Portsmouth, Virginia

Engineering Management Building (Increment II),
Service Group Facility,
Integrated Logistics Support Facility,
Branch Clinic,
Crane Rail Interconnection,
Reactor Service Equipment Storage Facility,
BEQ,
Ship Services Support Facility, and
Upgrade Waterfront Utilities.

Charleston Naval Shipyard, Charleston, South Carolina

Quaywall Transfer Facility,
Electrical Distribution,
Seismic Improvements—Various Buildings,
Modernize Marine Machine Shop,
Modernize Electrical/Electronics Shop,
Ship Services Support Facilities,
Fire Protection and Steam Distribution System Improve-
ments,
IMA Training Facility, and
Modernize Pier F.

Puget Sound Naval Shipyard, Bremerton, Washington

Apprentice School Addition,
Hazardous/Flammable Materials Storehouse,
Fleet Support/Parking Facilities,
Inactive Fleet Mooring Facilities,
Land Acquisition,
Upgrade Pier D,
Sports Complex,
BEQ,
Utilities and Site Improvements, and
Industrial Support Complex (Incr. II).

Mare Island Naval Shipyard, Vallejo, California

Plating Shop,
Crane Track Extension,
Dry Dock #5,
Seismic Upgrades,
Propeller Overhaul Facility,
Secondary Power Generator,
Integrated Repair and Test Facility,
Ship Services Support Facility,
Integrated Logistics Facility,
Water System Improvements,
Hazardous/Flammable Materials Storehouse,
Realign Main Gate Road,
Refueling Support Facility,
Computer Operations Center,
Engineering Center,

Addition to Building #742, and
Central Waterfront Work Facility.

Long Beach Naval Shipyard, Long Beach, California

Employee Development Center,
Dry Dock Improvements (#2 and #3),
Pier #3 Improvements,
Mechanical Utility Improvements,
Storm Drain Improvements,
Electrical Distribution System Improvements,
Emergency (Standby) Power,
Structural Group Improvements,
Waterfront Support Facility,
Seismic Improvements,
Dry Dock Steel Caissons (#1, #2 and #3), and
Municipal Sewer Connection.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii

Repair Pier Expansion,
Crane Track Extension,
Transportation and Weight Handling Shop,
Structural Shop Improvements,
Engineering Management Building,
Fire Protection/Sprinkler System,
Installation Restaurant,
Automated Containerized Supply System,
Expand Dry Dock #4,
Refueling Complex,
Consolidated Marine Machine/Central Tool Facility,
Forge, Foundry and Pattern Shop Consolidation,
Integrated Repair and Test Facility,
Waterfront Service Support Building,
Deepen Dry Dock #3,
Waterfront Utilities Improvement, and
Shore Power Improvements for Modern Submarines.

PHILADELPHIA NAVAL SHIPYARD, PENNSYLVANIA

Question. The Philadelphia Naval Shipyard was included in Secretary Chaney's new list of proposed base closures and realignments. If the Philadelphia Naval Shipyard is in fact closed, how will this action affect the workload requirements of the remaining public shipyards?

Answer. Closure of Philadelphia Naval Shipyard would lead to the realignment of existing work in the remaining Naval shipyards to accommodate Philadelphia's planned availabilities.

Question. Vice Admiral Peter Hekman confirmed in June 1989 that Mare Island's overall workforce would drop from 9,200 employees to between 7,400 and 8,500. The reductions would take place in Fiscal Year 1991 and 1992, but would be achieved largely through attrition and retirement. However, we have received conflicting reports that the Navy might proceed with a reduction-in-force (RIF) at Mare Island by the end of the fiscal year. Will Mare Island experience a RIF and will such action occur during the current fiscal year?

After Fiscal Year 1992, it is projected that the workload at the Naval Shipyards will increase and that the demand for skilled

labor will subsequently increase. However, the Navy is planning to reduce the workforce before that time. Has the Navy given any thought to retaining trained and skilled workers during the lean years, Fiscal Year 91 and Fiscal Year 92, rather than hiring and training new workers after Fiscal Year 92 at a potentially higher cost?

Answer. A major SSN refueling overhaul scheduled to begin in the last quarter of 1990 was cancelled due to its accelerated decommissioning (driven by force structure reductions). Due to the resulting 290,000 lost mandays of direct work and budget constraints, Mare Island is downsizing to approximately 7,000 positions by the end of Fiscal Year 1990. In order to reach this goal, Mare Island Naval Shipyard requested RIF authority for the end of Fiscal Year 1990. Mare Island Naval Shipyard plans to retain permanent employees through internal reassignment, cross-training and termination of temporary and on-call employees. In addition to voluntary attrition, the shipyard requested early out authority and is pursuing aggressive outplacement efforts to ease the impact of the downsizing.

Question. Please provide for the record the current status of workloads for each of the Navy's public shipyards. Also, please comment on their future.

Answer. The current status of the workload for the Navy's public shipyards is reflected in the Fiscal Year 1990 Shipbuilding and Conversion, Navy; and Operations and Maintenance, Navy Budgets. Future shipyard workload is dependent on the final Fiscal Year 1991 budget and unfolding force-structure adjustments. The Navy is making every effort within budgetary constraints to retain the industrial capabilities of Naval shipyards to repair and modernize the remaining and increasingly complex, fleet assets while managing the workforce to avoid severe reductions in productivity and attendant increases in cost.

MORATORIUM

Question. Please explain how Secretary Cheney's temporary moratorium on military construction will affect current projects in the design and construction phases.

What benefit does Secretary Cheney hope to achieve from this moratorium?

Answer. The temporary moratorium will not impact any project where design or construction contracts were awarded prior to the January 24, 1990, order by Secretary Cheney.

For design and construction contracts that had not been awarded prior to January 24, 1990, the contracting process is proceeding up to the point of actual award, to enable a prompt restart of effort on May 1, 1990. Nearly all Fiscal Year 1992 35% design starts, 16 Fiscal Year 1991 100% design completions and 112 Fiscal Year 1990 and prior construction contracts are impacted by the moratorium.

The moratorium was issued to ensure that DOD was exercising careful stewardship of taxpayer funds in light of pending changes in force structure.

As part of the moratorium each Service is reviewing their entire ongoing Military Construction program in view of recent planning, programming and budget decisions and base closure study announcements. Consideration is being given to termination of previously authorized and appropriated projects which may no longer be consistent with future plans.

[CLERK'S NOTE.—End of questions submitted by Congressman Fazio.]

TACTICAL AIRCREW COMBAT TRAINING SYSTEM (TACTS) MIRAMAR NAS

[CLERK'S NOTE.—Question for the record submitted by Congressman Lowery.]

Question. When is the new equipment for the TACTS to be procured and what will happen to it without a permanent structure to house it?

Answer. Equipment funds are proposed in Fiscal Year 1991 Other Procurement Navy. Estimated delivery to Miramar is August 1991. Should permanent space not then be available through military construction, it would be necessary to add six temporary, training system modules by installing the equipment in additional interim, leased trailers. None of these interim measures would be retained when the equipment is relocated from the modules to the permanent military construction facility.

[CLERK'S NOTE.—End of the question submitted by Congressman Lowery.]

[CLERK'S NOTE.—Question for the record submitted by Congressman DeLay.]

QUALITY OF LIFE

Question. Over the past few years I have had some difficulty in receiving budget figures for "quality of life" military construction. One reason, I suppose, is because anything can be considered to be quality of life. In a different way, even a gun could be considered to be an addition to quality of life.

Specifically, I am looking for a budget figure that accurately states the cost of "quality of family life construction". The addition of the word family should be of some help here.

Is it possible to develop that budget figure for the Navy?

Can you get that to me?

Answer. Using your definition of family related quality of life, the figure is \$190.8 million which accounts for family housing, new construction and one chapel in the fiscal year 1991 request. However, we should not exclude the family housing support accounts which provides for repairs, improvements and services for existing family housing units. This account would add \$731.6 million for a new total of \$921.6 million.

Since nearly half of the Navy is unmarried, any quality of life figure should include those costs to construct bachelor officer and enlisted quarters and any associated dining facilities. In the fiscal year 1991 request, this amount is \$83.7 million, including this amount with the previous number, the new total would be approximately \$1 billion.

Quality of life for our personnel can be broken into two pieces. One for where they work and the other where they live, shop, play and pray. For the latter, the total quality of life figure should be \$1,005.3 million for this budget request.

[CLERK'S NOTE.—End of question submitted by Congressman DeLay.]

THURSDAY, MARCH 8, 1990.

FISCAL YEAR 1991 AIR FORCE MILITARY CONSTRUCTION

WITNESSES

JAMES F. BOATRIGHT, DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE

MGEN JOSEPH A. AHEARN, DIRECTOR OF ENGINEERING SERVICES, HEADQUARTERS, U.S. AIR FORCE

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The committee will come to order.

Today, we will review the military construction and family housing program for the Air Force. We have with us today, Mr. James Boatright, Assistant Secretary of the Air Force, and Major General Joseph Ahearn, Director of Engineering and Services.

Gentlemen, it is good to have you with us today, and you have prepared statements. Your entire statement will be part of the record, and you can proceed in any way you see fit. We will start with Mr. Boatright.

Mr. BOATRIGHT. Thank you.

STATEMENT OF MR. BOATRIGHT

Mr. Chairman, I would like to just take a moment to discuss our highest priority in facility programming. I will then ask General Ahearn to summarize our formal statement, which we have submitted for the record.

As you know from our many statements in the past, the highest priority Air Force facility program is the modernization of our existing family housing inventory. Even in this time of very great change, we see much stability in this remaining as our highest priority facility requirement.

Before I go any further, let me acknowledge that I understand that you have a separate family housing hearing scheduled at a later date. However, since it will be a combined OSD and Service hearing, I will not be in attendance. Therefore, I am compelled to make a few comments on what I believe to be a most important issue.

First, largely due to this committee's strong support, we have made some considerable progress in modernizing our housing over the past several years. However, our progress is much too slow. At the current rate of funding, it will take 25 years to complete the modernization of this inventory. In my opinion, the only feasible way to accelerate this effort into a responsive time frame is to supplement these appropriations with some private sector financing.

The best and most cost-effective way to do this is through a revised Capehart authority.

As the committee knows from our previous testimony, the Air Force has tried unsuccessfully for the past few years to get such legislation to the Congress. Regrettably, I must report to you that although we submitted proposed legislation with our budget request once again, it was denied and not submitted to the Congress for approval.

As you may recall, the problem has to do with a budget scoring procedure which our proposal is inconsistent with. Let me hasten to add that we have not given up, and we are continuing to work hard to find a satisfactory solution to this problem. We appreciate the continuing strong support of this committee for this initiative.

Although, as I said we have not given up, I must admit that I have gotten quite frustrated with this issue. As a taxpayer and Government official, I am troubled that we forego a very cost-effective and proven approach to private sector financing because of procedural problems. Yet, at the same time, we embrace less cost-effective private sector financing approaches because they fit within the procedural limits, and the only down side is they cost more. I submit that such is not fair to the taxpayer, and it is time that we find a way to solve this bureaucratic problem.

Now, let me turn to General Ahearn, and let him summarize the Air Force's program.

MGEN AHEARN. Good morning, Mr. Chairman and members of the committee.

For Air Force people, I would like to thank you for your continuing support. You make a difference to us.

We have structured a solid program for fiscal year 1991, down slightly from 1990. We have concentrated on force modernization programs to support such programs as the B-2 Bomber, the Peacekeeper-Rail Garrison and the deployment of the C-17 Aircraft. We remain highly focused on the people dimension of our institution maintaining a credible balance of weapon systems investment and people support projects.

The people support projects such as our revitalization initiative for Lackland and Shemya Air Force Bases, as well as Maxwell and Gunter Air Force Bases are indicative of our desire to invest in the work place and the living place of our airmen. We also continue to protect and enhance the environment through investing in upgrade projects for environmental compliance and to incorporate prior Congressional direction to emphasize the scrubbing of our overseas program hard so that only the bases that we believe will have a long tenure will be budgeted and programmed.

Our military family housing remains our most important facility program, to underwrite the observations of Mr. Boatright, setting aside the essential new mission construction programs that have taken precedence.

The fiscal year 1991 budget is a balance of managing, maintaining and improving our military family housing, a combination of high quality projects and good fiscal stewardship.

Permit me to brag a little bit. But in the last couple of years in the family housing improvement program sized at about \$170 to \$180 million per year, we have been able to put under contract, in

the year the money that was appropriated in, more than 92 percent of the program. What we are suggesting is that we are putting the authority of our resources to work the year you give it to us because it is indeed our highest priority.

I might observe also that the size of the improvement backlog will increase as our budget request is already under-funded. We are able to only whittle away at a rate of three to four 4,000 units per year. It will take us 25 years to get after the backlog of our own standing requirements. By that time, all the remaining assets will have been worn out. We are not in a catch-up situation for family housing improvements.

Leasing in family housing continues to be a success story both at home and abroad. The 802 Program has been substantial to us in assisting us to fulfill our requirements.

The new mission portion of the fiscal year 1991 MilCon request continues to support our efforts to build and to maintain a war-fighting force. It is down about \$47 million compared to last year. We continue to support the beddown and the deployment of our national priority programs. The B-2 facility program is a quality program. The facilities being delivered are of fine quality. They have been delivered on time and within the resources.

The Peacekeeper-Rail Garrison deployment is moving forward in fiscal year 1991 to support the construction of facilities at Francis E. Warren AFB and the follow-on three bases of Barksdale, Fairchild and Grand Forks. A depot facility at Hill Air Force Base and Newark Air Force Station are included in the 1991 request. Of the \$104 million appropriated in fiscal year 1990, \$76 million is ready for construction award at Francis E. Warren. We are right now seeking a waiver to the moratorium on construction and design. The remaining \$28 million is under design, and construction will begin early this summer.

The C-17 Aircraft facilities in fiscal year 1991 at Charleston and Altus Air Force Bases build on prior approvals. Of the \$12 million appropriated in 1989 and 1990, projects totaling \$5 million are under construction, with the remaining portion scheduled for award this spring.

The current mission program is our bread-and-butter program and meets our needs to care for the stewardship of our infrastructure and our people. This portion of our program is absolutely essential to providing quality facilities in the work place and in the community so that we might perform our missions.

Pressing ahead with key revitalization programs at Lackland and Shemya and at Gunter and Maxwell are our highest priorities. The Shemya fiscal year 1991 request is the fourth year of a five-year program. This initiative is showing major dividends in Shemya out there at the tip of the Aleutian Chain.

At Lackland, the request represents the second year of a five-year program investing into the threshold of the Air Force for our airmen. We are moving ahead here with a \$19.5 million program in 1990, and follow-on investments for four more years.

Our overseas program supports a force structure advocated by General Galvin and other senior U.S. military commanders for structure in Europe through the nineties. We have scrubbed hard the requirements that we have brought forth for the 1991 program,

and we have identified what we consider to be hard-core current mission, people and productivity projects.

In summary, again, I am pleased to appear before your subcommittee, Mr. Chairman and members.

[The statement of Mr. Boatright and Major General Ahearn follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO
SUBCOMMITTEE ON MILITARY CONSTRUCTION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 8, 1990

SUBJECT: FISCAL YEAR 1991 MILITARY CONSTRUCTION
PROGRAM

STATEMENT OF: MR. JAMES F. BOATRIGHT, Deputy
Assistant Secretary of the Air Force
(Installations)

MAJOR GENERAL JOSEPH A. AHEARN
Director of Engineering and Services
Headquarters United States Air Force

NOT FOR PUBLICATION UNTIL RELEASED
BY THE APPROPRIATIONS COMMITTEE

INTRODUCTION

Mr. Chairman and members of the committee, I am James F. Boatright, Deputy Assistant Secretary of the Air Force for Installations. I have with me today Major General Bud Ahearn, Director of Engineering and Services, Headquarters United States Air Force. We are pleased to again have the opportunity to testify before your committee to present the Air Force's Military Construction request for Fiscal Year 1991.

OVERVIEW

We would like to thank the committee for its continuing support of the Air Force's Military Construction programs. These are exciting times for us in the Air Force Milcon business as we press forward with a program designed to support national priorities and programs, maintain a balance of new weapon system and people support projects, and continue our efforts to protect the environment while incorporating fiscal year 1990 congressional direction and emphasis.

The Air Force is sensitive to the need to trim budget requests and our Fiscal Year 1991 appropriation request is reduced in comparison to prior years. Our appropriation request for MILCON and military family housing is \$2.348 Billion in Fiscal Year 1991. Our Fiscal Year 1991 request as submitted to you represents a \$61.1 Million reduction from our Fiscal Year 1990 request. The MILCON request is at \$1.376 Billion and the family housing element represents \$971.9 Million. Accounting for inflation, this represents a 6.7 percent reduction.

The military family housing appropriation request for 1991 is \$44 Million less than the corresponding fiscal year 1990 appropriation request. The second segment, which we call the MILCON portion of our Fiscal Year 1991 appropriation request is \$17.1 Million less than the Fiscal Year 1990 appropriation request. This segment concerns construction for new aircraft, missile, command, control, communications and intelligence (C3I), and space systems as well as for revitalizing our infrastructure and existing facilities.

Our MILCON program for Fiscal Year 1991 has several objectives. These include supporting defense and Air Force priorities and programs, creating a balanced program and incorporating prior year congressional emphasis and direction. Our defense and Air Force priorities focus on personnel and quality of life needs, readiness enhancements, strategic force modernization, conventional force restructuring, environmental protection and efforts to maintain our production rates and technology base. We also support Secretary of Defense Cheney's legislative initiative to streamline the base closure process as a means to realize savings promptly. We have built a balanced program, concentrating on an effective blend of new and current mission MILCON requirements. Lastly, we are following the prior year congressional direction and emphasis on burdensharing and have substantially reduced our overseas MILCON request for Fiscal Year 1991. We have carefully screened our overseas construction projects to be sure they support requirements that will survive this period of great change and that the projects are located at bases we are confident will be in our long-term base structure.

We will address the new mission and current mission MILCON programs and we look forward to testifying before this committee in the near future in support of the Air Force's Fiscal Year 1991 military family housing appropriations request.

NEW MISSION MILCON

We continue to separate our MILCON program into two elements called new and current mission. The new mission portion of the request supports deployment of new weapon systems, force structure changes and readiness enhancements. This segment builds our warfighting edge. New mission MILCON projects constitute 60 percent of the Fiscal Year 1991 military construction request at \$831 MILLION. This represents a \$37.4 million reduction compared to the Fiscal Year 1990 appropriation request.

This year's new mission MILCON request includes facility projects to continue beddown of the B-2 Bomber, deployment of the Peacekeeper - Rail Garrison and continuation of facility construction to support the C-17 aircraft. Additionally, authorization and appropriation are sought to begin construction for the Titan IV complex and Vandenberg Air Force Base, California.

B-2 BOMBER

Our construction of the initial B-2 deployment to Whiteman Air Force Base, Missouri began with the Fiscal Year 1988 MILCON program and continues with our Fiscal year 1991 request. Follow-on locations will be announced in conjunction with the submission of the president's budget containing the first year on MILCON for each of these locations. Depot maintenance for the B-2 bomber will be performed at Tinker Air Force Base, Oklahoma.

Congress has supported \$84.8 Million in Fiscal Year 1988, \$59.5 Million in Fiscal Year 1989 and \$65.5 Million for B-2 facilities at Whiteman Air Force Base and \$31.8 Million for facilities at Tinker Air Force Base in Fiscal Year 1990. For Fiscal Year 1991, our request is \$117.1 Million. This includes \$95.7 Million for Whiteman Air Force Base and \$21.4 Million for Tinker Air Force Base.

PEACEKEEPER - RAIL GARRISON

Our Fiscal Year 1991 appropriation request continues to support the President's decision to deploy the Peacekeeper - Rail Garrison weapon system.

Congress appropriated \$104.85 Million in Fiscal Year 1990 for construction at F.E. Warren Air Force Base, Wyoming. F.E. Warren Air Force Base has been designated as the first Rail Garrison main operating base.

The Fiscal Year 1991 request includes \$254.32 Million for construction at F.E. Warren Air Force Base, Wyoming, Barksdale Air Force Base, Louisiana, Grand Forks Air Force Base, North Dakota and Fairchild Air Force Base, Washington and depot facilities at Hill Air Force Base, Utah and Newark Air Force Station, Ohio.

C-17 AIRCRAFT

Our Fiscal Year 1991 request of \$29.64 Million provides facilities at Charleston Air Force Base, South Carolina and Altus Air Force Base, Oklahoma to support the C-17 program to modernize and enhance the Air Force's strategic and tactical airlift capabilities. Specifically, the request includes two projects for \$8.74 Million at Charleston Air Force Base and \$20.9 Million for three projects at Altus Air Force Base.

Congress supported \$7.3 Million in Fiscal Year 1989 and \$4.65 Million in Fiscal year 1990 to support facility construction at Charleston and Altus Air Force Bases.

LARGE ROCKET TEST FACILITY (J-6)

The Arnold Engineering Development Center, Tennessee provides the only national capability for testing rocket engines at altitude. The J-6 facility provides the capability to safely test highly volatile new propellants at a thrust of 500,000 pounds at an altitude of 100,000 Feet. The new generation of rocket motors, such as the Peacekeeper, require thrust capabilities up to 350,000 pounds. The future generation of rocket motors will require even higher thrusts.

For Fiscal Year 1989, the Congress authorized the total cost of the project in the amount of \$183 Million, while providing appropriations in the amount of \$50 Million to begin the first phase of the three-year construction program. Congress appropriated \$66 Million in Fiscal Year 1990 with an additional authorization of \$43 Million for a revised project authorization of \$226 Million. THE Fiscal Year 1991 appropriation request of \$109.3 Million will allow us to complete the project.

TITAN IV TEST FACILITIES

The Air Force is requesting \$19.2 Million in Fiscal year 1991 to begin the Titan IV launch facility complex at Vandenberg Air Force Base, California. The Titan IV launch vehicle provides a capability to place our scheduled heavy payloads into orbit.

The Air Force is also requesting \$10 Million in Fiscal Year 1991 to purchase land options for acquisition of realty interests south of Vandenberg Air Force Base to meet launch safety requirements. Method of acquisition whether in fee, or restrictive easements is currently under study. The land will be purchased in Fiscal year 1992 and the easements acquired in Fiscal years 1993 and 1994.

401ST TACTICAL FIGHTER WING RELOCATION

Our Fiscal year 1991 appropriation request does not contain any MILCON to support the relocation of the 401ST tactical fighter wing from Torrejon Air Base, Spain to Crotone Air Base, Italy.

Currently, NATO and the Italian Government are moving forward on the planning and design of Crotone. We are working with NATO and the Italians to stay below the \$360 Million expenditure cap imposed by the Congress. In compliance with

the conference report language, we are not scaling back the scope of facilities or reducing the quality of the project to meet this expenditure cap. Our current cost estimates from refined relocation plans are within the \$360 Million expenditure cap.

CURRENT MISSION MILCON

This segment of the our MILCON program is called current mission and is dedicated to revitalizing our physical plant. We consider the current mission program to be our "Bread-and-Butter" because it satisfies our basic need to care for our people, our infrastructure and our environmental quality.

We appreciate the support congress has provided over the years, to provide the facilities needed to care for and retain a highly-trained and motivated warfighting aerospace force. Facilities which promote the productivity of our people, which are economical to operate and maintain, and exist in a safe and clean environment promote the retention of an experienced, productive and highly-motivated career force, (thereby reducing our costs for recruiting and training), make sense at the "bottom-line".

Our Fiscal Year 1991 current mission appropriation request totals \$545.05 Million and while this request is one of the lowest in recent years, it does not diminish our commitment to revitalizing our facility infrastructure. Rather it is a recognition of budget realities.

We remain sensitive to the need for a balanced MILCON program supporting both the new and current missions programs. as force structure and new weapon system beddowns stabilize in The future, we will again be looking toward increasing our current mission line. It is imperative we sustain our efforts to turn the corner on our current 200 year-plus facility revitalization rate.

Let me address our continuing efforts on two very important revitalization initiatives at Lackland Air Force Base, Texas and Shemya Air Force Base, Alaska and conclude with a few words on our program investments in the overseas MILCON program.

LACKLAND AIR FORCE BASE, TEXAS

Our Fiscal year 1991 appropriation request includes funding for the second year of our five-year program to revitalize Lackland Air Force Base. The program focuses on solving infrastructure problems and replacing world war II buildings cluttering the base that represents the "Gateway to the Air Force".

For Fiscal year 1990, the Air Force requested and received approval for the initial funding year of \$19.5 Million. For Fiscal Year 1991, the Air Force is requesting \$22.5 Million for a dining facility, fire station, base engineer complex, base roads and an upgrade to the base sewer system.

SHEMYA AIR FORCE BASE, ALASKA

The Air Force is requesting \$47.4 Million in construction projects for Fiscal year 1991 to sustain our on-going

revitalization of Shemya Air Force Base, Alaska. This request is for a dormitory alteration, base roads upgrade, renovation to key base support facilities and utility systems and a new vehicle maintenance facility.

OVERSEAS MILCON

The Air Force continues to have facility requirements overseas both in terms of the new mission MILCON and facility revitalization under the current mission program.

In deciding on MILCON projects in Europe, the Air Force carefully considered future impacts of force structure reductions which could result from the on-going CFE talks. In addition, we considered even greater force reductions that could result from future negotiations and constrained our program to projects at installations that we are confident will remain in our long-term base structure.

In the Pacific, with the exception of a control tower cab at Clark AFB, Philippines, our program supports MILCON for those installations located in countries that are not presently undergoing sensitive base rights negotiations. The program fully supports the strategy reaffirmed by the Secretary of Defense Cheney during his recent trip to the Pacific area which calls for maintaining a credible U.S. Military presence.

In fact, our Fiscal Year 1991 overseas MILCON request of \$196 Million is \$162.5 Million less than requested in Fiscal Year 1990, and is the lowest submitted in recent years. It is a balanced program with \$116 Million in new mission requirements and \$80 Million in hard core current mission needs. This program represents 14 Percent of the Fiscal year 1991 Authorization request.

CONCLUSION

Mr. Chairman, our Fiscal year 1991 request supports facility projects for the most powerful aerospace force in the world. We appreciate the support of your subcommittee and Congress as, together, we protect and enhance the interests of the United States throughout the world.

We are honored to be able to appear before your committee today and to represent the United States Air Force. We are prepared to answer your questions.

MX RAIL GARRISON

Mr. HEFNER. Thank you, General.

Have the projects funded in fiscal year 1990 for MX Rail Garrison at F.E. Warren been impacted by the construction moratorium?

MGEN AHEARN. Indeed, Mr. Chairman, they have. We have some \$70 million in projects for the Garrison and for the Missile Assembly Building with open and good bids, and we are currently seeking a waiver to the Secretary of Defense's construction moratorium.

Mr. HEFNER. Have you sought a waiver on other worthwhile projects or just this one?

MGEN AHEARN. Sir, we are seeking a waiver on several projects. All of the waivers are being sought at the same time the Rail Garrison waiver is being sought.

Mr. HEFNER. But at this point, you have just got the one. You are just asking now for the one waiver at F.E. Warren?

MGEN AHEARN. No, sir. I am asking for the waiver of some \$200 million or so of construction.

Mr. HEFNER. But this is the only one you have specified in your statement.

MGEN AHEARN. It is because I was highlighting the Rail Garrison as a national program.

Mr. BOATRIGHT. Mr. Chairman, we have not submitted that request yet to the Deputy Secretary of Defense, and that is the requirement under the moratorium. We must make that request to him. We are presently staffing that request within the Air Force. We anticipate that we will submit that in the very near future.

Mr. HEFNER. This committee, as you know, has been very supportive. I think our record is one of the better ones around here about being a non-partisan committee.

But, in terms of the moratorium, I think there is a better way of going about it rather than just holding up all the projects. In my view, there is a classic case for deferring a project in view of uncertainty. I think it has to be the Rail Garrison for a lot of reasons.

Let me give you some: the changing scenario in the world, which you are aware of; and the START talks, which you expected to be completed by this summer; and uncertainty as to whether Congress will provide funding for deployment. Now, as I understand it, if you are granted a waiver on the moratorium, you would be initiating \$76 million in construction work on something we are not sure is going to be utilized. Why not wait, given the fact that six months from now we would have a better idea of the Administration's and the Congress' position on the mobile missions.

To me, that is where the moratorium makes a lot of sense, especially on projects that could be impacted by base closures and realignments.

I would like you to carry this message back to the appropriate people. I talk with people every day, and I have got to tell you that in view of the budget restrictions and the changes that have taken place in the world, I do not think there are a lot of people that are knowledgeable on what is going to happen. But I am not so sure that you have got as much support as you once had for the Rail

Garrison position. There are a lot of things that are going to change around here.

The way I look at it, is that it seems that for every new initiative that comes up, Panama, Nicaragua and Europe, new monies are going to have to be found. They are coming back and saying that we must take it out of Defense. As you well know, we have a real problem. A lot of these people are going to be looking for systems or what have you to save money, and we can get some bucks on military personnel and base closures, but we do not get it right away. Somebody is going to have to say where this money is coming from.

Mr. ALEXANDER. Mr. Chairman?

PANAMA

Mr. HEFNER. Just one second.

We have a big pot that we are going to have to deal with—sources of funds for Panama. We do not know what is going to happen in the Philippines. I think that it would make more sense if moratoriums were placed on some of these projects that we are really not even sure about.

I have been a strong supporter of the C-17 Program and the B-2. To do these things, it takes money. There are an awful lot of people out there who are saying they were looking at a \$5.5-billion cut in Medicare, which I know is not your area. But you do not completely have tunnel vision on this budget. I just want to alert you to that. If you are going to make these waivers, I have to tell you that I can be parochial on these waivers, too. I have concerns at Fort Bragg. Fort Bragg is pretty critical to us. It was critical in our success in Panama. I am sure there are other members on this Committee who have parochial interests. They do not have a tendency to have parochial interests. [Laughter]

They have been known to have some parochial interest. To me, it would seem to take on things that could be marginal in a changing world. I just wanted to say that on the record.

At this time, I yield to Mr. Alexander.

POST COLD WAR IMPACTS

Mr. ALEXANDER. Mr. Chairman, gentlemen, welcome.

First, I would like to echo the Chairman's statement about cooperation. We, of course, try to cooperate with you gentlemen in every possible way we can. The record, of course, speaks for that. Even during times when there seems to be a storm all around us, there was a calm within it where we operated in a constructive way to serve the purposes of our services.

But on the question of waiver that the Chairman raised, I would like to address that a second. If a waiver is submitted for an air base in Wyoming, I will submit a request for a waiver for an air base in Arkansas, Eaker Air Force Base, which is completing its modernization program. It is virtually modernized. I would dare say except for one building, which is authorized and funded for construction for a new civil engineering building, it is a brand new base.

Inasmuch as Eaker is being studied for closure, that merely means that it is like all other services in the process of review following the collapse of the Soviet Union as a threat to the United States. I realize that they still have a lot of hardware over there that they could change their policy and decide that they wanted to pursue a goal of world conquest. But they sure could not manage it.

If none of you have been to the Soviet Union, I would encourage you to go over there because you will be just so overwhelmed. You will be underwhelmed by what we perceive as a threat.

But I have looked into these questions of new weapons systems because I think therein lies the front line of debate and possible confrontation and resolution on this question of future defense policy. Begging the question of what is the U.S. post-Cold War Defense policy. Everyone is dancing around with that issue. We are all trying to come to grips with that reality.

Three issues that will force a debate on that reality are SDI, MX Rail Garrison and B-2. I think SDI is dead. It is dead with the exception of research. People responsible at both the authorization and appropriation level for B-2 say that it will be decided on the floor.

Now, your chances are about even on B-2 just at this stage. It could change tomorrow. I would say they are about even, maybe not quite even.

MX Rail Garrison, just my own opinion, I think it will be studied for another year. Of course, it has been studied for 15 years, and our rationale is what will one more year matter. So that is where you are on those three issues, which will force a debate on U.S. policy unless one would be forthcoming prior to the debate on those three issues, on all three defense systems.

Now, there are a couple of views. The President has a view that we ought to cut back 25 percent. The former Secretary of Defense Schlesinger says we should cut back in Europe 90 percent. Somewhere between those two figures is a cut of force structure in Western Europe. It will probably result from the circumstances produced from the political climate rather than by design of the world's best minds on defense policy and strategy.

In order to beg the debate somewhat, I would like to ask you a question. Suppose we should withdraw U.S. forces in Western Europe by 90 percent, using that figure, then what would be our capacity in the United States to dual base those forces, bed them down in the United States subject to plans to redeploy for maneuver purposes back to Europe in order to practice the various war games that the services would perform? What would be our capacity to bed those forces down in the United States?

For example, with the Air Force, I guess I will limit it to the Air Force since the General is here. Do we have enough ramp space at U.S. bases to accommodate a dual-basing plan for U.S. Air Force units now deployed in Europe?

Mr. BOATRIGT. I think that what I would like to do is first try to answer that question by saying that we do not believe that we are going to see a 90-percent reduction in the near term. The assumption that we have gone under to date in our planning is as we bring down the forces in Europe, we will probably bring down the

force structure that is associated with that. Therefore, we will have little force structure to return to the U.S.

Mr. ALEXANDER. May I interrupt you a second?

Mr. BOATRIGHT. Yes, sir.

DUAL-BASING

Mr. ALEXANDER. I am basing my question on the assumption of dual-basing policy rather than the present policy because the present policy is changing. What we will have at the end of this year is different from what we now have.

As a point of gaining information, let us presume a change to a dual-basing posture, which would redeploy our forces based in the United States back to Europe for maneuver purposes. The question is: Do we have enough ramp space in the United States to accommodate those weapons?

Mr. BOATRIGHT. We probably do not have enough ramp space existing on the base structure. We do believe that we have more than adequate base structure to do that. I believe that we would have to make some considerable additional investments in facilities to include ramp space to support those forces, in which, as you know, we have invested rather significantly at the overseas bases.

Mr. ALEXANDER. Then the second question would be: What would the ramp space we now have accommodate in the way of dual basing our Air Force structure in western Europe?

Mr. BOATRIGHT. I think that I could not answer that off of the top of my head certainly. But we would certainly be pleased to do that review and provide some information for the record.

[The information follows:]

RAMP SPACE

Based on preliminary investigation, fighter, attack, and reconnaissance aircraft might be capable of dual basing from the United States. Currently, there are 654 primary assigned aircraft in Europe.

Dual basing the aircraft from Europe would require a large amount of airlift from the Continental United States. Under the current Defense Planning Questionnaire, only five Tactical Fighter Squadrons are dual based to Europe. The current criteria for dual basing is to be in position within 48 hours. There is only enough military airlift to move five fighter squadrons and meet this criteria.

Mr. ALEXANDER. That would be fine. That is a point I would like to study because that is an idea that is floating around Congress. For lack of a clear comprehensive post-Cold War era U.S. defense policy, as you know, when a vacuum occurs, it will be filled. One of the possibilities in filling this vacuum is the dual-basing policy, which would, of course, bring our troops home in a dual-basing mode. I would appreciate your response to that question for the record because we want to be responsible in our debate on the issue. We do not want to bring home forces we do not have ramp spaces to deploy.

Mr. BOATRIGHT. Yes, sir. I appreciate that.

I would like to add, however, that we believe as the threat reduces that the structure will simply have to come down because we will not have sufficient resources to maintain that structure.

Mr. ALEXANDER. That is another question, of course.

Mr. BOATRIGHT. Yes, sir. That is, of course, the planning process that we are going through right now. It is to try to phase down that structure, and that is the reason why we have announced some additional bases for study for closure including Eaker. But it is for that purpose because the structure is getting smaller, and, therefore, the base structure, we believe can probably get smaller.

BASE CLOSURES

Mr. ALEXANDER. On the question of closing those bases, if we do not have enough ramp space already to bring home our troops, then the response, of course, that will be made is that we should close down foreign bases first before we close down U.S. bases. Of course, argument will persist throughout this issue as it progresses through the Congress unless, somewhere along the line another policy is formulated.

Mr. BOATRIGHT. I would submit that from a cost standpoint, it may prove to be more cost effective to add some additional ramp space at some of our locations where we have sufficient real estate and do some consolidation from a base closure standpoint. This would prove to be more cost effective than retaining the base structure that we have today.

Mr. ALEXANDER. One more question, would you say that cost effectiveness is your primary consideration after the question of defense capability?

Mr. BOATRIGHT. Yes, sir. I would say that.

Mr. ALEXANDER. Thank you.

MGLEN AHEARN. Excuse me, Mr. Chairman.

During the previous hearings, I heard you suggest that there is a lack of a comprehensive post-Cold War policy. The policy of the nation as I know it calls for a forward deployed flexible response capability for purposes of regional stabilization. I believe that to be classic and pervasive.

The business of presence, the business of national world leadership, I do not think is being debated. The degree of presence is what is being debated. But certainly we recognize that our foreign-based power provides regional stability and provides the very glue that has made the alliance of NATO and the alliances overseas in the Pacific work.

U.S. FORCE DEPLOYMENT IN FOREIGN COUNTRIES

Mr. ALEXANDER. General, there is no question that U.S. force deployment in any foreign country adds a degree of political stability. But the question that has been presented to us over the years and has been used to justify the rationale of enormous capable and flexible response weapon systems primarily deployed through the triad is a perceived threat from Communism managed by the Soviet Union.

We all know that the Soviet Union cannot even manage its own economy. It is no longer the same threat that we had even a year ago. Some argue that it is a bigger threat to itself than it is even to anyone else. There is no question that there is political turmoil in eastern Europe and that the presence of U.S. troops in central Europe will provide some political stability. But that is a different

political calculus than the one that was presented to us to justify the B-1, the B-2, the MX, the sea-launched cruise missile capabilities and so on. That is a different political calculus entirely. If you are going to come in with that proposition, you do not need B-2. So I do not think that is our national defense policy as of this point in time.

MGEN AHEARN. My mind was focussed on basing, not on the strategic forces.

Mr. ALEXANDER. There is a lot to say on this issue.

MGEN AHEARN. Indeed.

Mr. ALEXANDER. I do not think we will finish it today.

MGEN AHEARN. Indeed.

Mr. HEFNER. I would just comment that everybody knows the volatility in eastern Europe. It may be that before we start our markup, and this is not unprecedented, we would have a closed hearing. I feel sure that there are contingency plans that have been talked about. We might want to have a closed hearing and ask the Department to come in and talk about contingency plans. That is not unheard of for this committee to do.

Mr. Kolbe?

Mr. FAZIO. Mr. Chairman, could I interrupt for a minute?

Mr. HEFNER. Sure.

Mr. FAZIO. Could we have a closed hearing on the conventional arms talks in terms of the impact they might have on military construction?

Mr. HEFNER. We can have a closed hearing on anything we want.

Mr. FAZIO. I think we would all benefit if we knew what the Administration's bargaining position is on military construction.

Mr. HEFNER. We can do that.

Mr. FAZIO. Thank you.

Mr. HEFNER. Mr. Kolbe?

Mr. KOLBE. Thank you, Mr. Chairman. I certainly echo what Mr. Fazio just said. I think such a closed hearing would be very helpful to us as we consider in this committee our military construction budget and military posture.

I listened to my colleague and friend, Bill Alexander, talk a few moments ago at the outset of his remarks, and we obviously have a disagreement when he talks about the collapse of the Soviet Union as a threat. I see it differently. I could not help but think of the remark that was made just a couple of hours ago by former President Nixon. I think it was wise when he said our defense spending has to be based not on the soft intentions of the Soviet Union, but on the hard realities of the capabilities of the Soviet Union. The fact is the capability of the Soviet Union as of this moment, in terms of its defense at least, is still very substantial, in terms of the modernization of their strategic forces, the percent of the GNP that is spent on defense. It is still substantial. So my cautionary note to my friend and to this committee would be we ought to be careful before we rush into reductions.

REDUCTION OF TROOPS IN THE SOVIET UNION

Mr. ALEXANDER. Would the gentleman yield just a second, just for a question so I could make a point? There is no way the Soviet

Union can reduce its military forces by as much as 50 percent overnight because the unemployment created from that political decision would wreak havoc in the Soviet Union, the same as it would in our country. We cannot afford it either. It would take some time to reduce our force structure assuming there was no threat, assuming zero threat. It would take some time to reduce our force structure in a way that lessened the economic impact on our industries in this country.

Mr. KOLBE. I quite concur with that; it is going to take time for both sides. I think we are seeing a process of reductions on both sides. But I still would offer my own view as a cautionary note as to how we perceive the intentions of the Soviet Union today.

Mr. BOATRIGHT. Could I make a comment? The basis for the discussion that we are in right now started with a basic structure overseas. I would like to just make a statement here for the record and quote what Secretary Cheney had just recently said before the House Foreign Affairs Committee in regard to our basic structure overseas. He said,

We are proceeding with reductions in unneeded basing overseas. But overall basing abroad will remain an important element of our alliance posture. Foreign bases enhance deterrence, contribute to regional stability, allow U.S. forces to reduce their response time in meeting threats and enable the United States to implement its defense strategy in a more cost-effective manner. There is a danger today that perceived reduction in the threat combined with the nationalism abroad and budgetary constraints at home will drive us to reduce our presence abroad beyond what is prudent. We must understand particularly in these delicate times, that many allies and even friendly neutral governments understand the value of an American military presence. Our presence reassures them of our commitment to stability and to their defense. It is designed not only to deter the Soviet Union, but to discourage other powers from hegemonial ambitions and to dampen regional arms competition.

Mr. KOLBE. Thank you, Mr. Secretary and Mr. Chairman.

I would just say that I think this debate, which has taken place in this committee on at least two occasions that I recall, is very healthy. I think this discussion is good. I would hope that we would do as has been suggested, have a closed hearing to delve in more detail into some of these issues as it relates to current arms negotiations and a current defense posture in different parts of the world for the United States.

PHILIPPINES MILITARY CONSTRUCTION

Let me turn to some specific questions. First, I came back from the Philippines a month and a half ago after going over to get some feel for the base negotiations for Clark Air Base and Subic Naval Base. There is nothing in the Milcon budget this year for construction at Clark with one exception.

Am I correct?

MGEN AHEARN. The control tower.

Mr. KOLBE. The control tower, and we just consider that a safety matters.

Mr. BOATRIGHT. We consider that a life-safety issue, and that is the reason why we included it in the budget even though there was the uncertainty associated with it.

Mr. KOLBE. I was informed that that would be the case.

Where do we stand with regard to the money that was earlier appropriated, but is on hold for the second phase of housing over there? I think it is 450 units that are still on hold. Is that correct?

MGEN AHEARN. If you bear with me, Mr. Kolbe, for just a second.

I am sure the follow-on construction that you speak of is not in the budget.

Mr. KOLBE. I know it is not.

MGEN AHEARN. It is deferred indefinitely until the political situation can be resolved.

Mr. KOLBE. That is what I am trying to get at. That deferral has no expiration date on it.

MGEN AHEARN. No. The money is not there, sir. We have taken the money out.

Mr. KOLBE. So if we were to get a new 10-year lease on Clark, we would have to come back to this committee for that money.

MGEN AHEARN. Indeed, sir.

Mr. KOLBE. There is no doubt after my being over there, seeing if indeed we do get a negotiation, that it would have to be a satisfactory negotiation. The housing would have to be high priority because of the lack of housing and the security concern of having so many of our people living off the base over there. It is a matter of major concern. There is a tragedy waiting to happen at Clark. I think you know that. I think we all know that. The more we can get our personnel on base, we will reduce the likelihood of that occurring.

Mr. BOATRIGHT. Yes, sir. That remains our highest-priority endeavor to house those people on the installation, and as soon as things settle down, we will immediately address that issue assuming that we would be remaining at Clark.

Mr. KOLBE. I am certainly not suggesting we do so before we have an agreement. I must say I am not terribly optimistic about an agreement at this point.

Maybe I ought to ask you this question. Certainly, the feeling I was getting from the Filipino government and leaders I was talking to was that if there is any agreement at all, it is going to be much shorter term than the United States would like. I don't know how this committee will feel. But is there a minimal length of time that you would feel comfortable with coming back and recommending a major expenditure for more housing?

Mr. BOATRIGHT. I would think that we would want to have an agreement at least that spans a period of five years. I think that would be an absolute minimum before we would want to make major investments.

Mr. KOLBE. I would certainly say that is a minimum. It is hard to amortize the cost of housing over a five-year period.

Mr. BOATRIGHT. Certainly, we would prefer a much longer period. But I think the question was what would be the bottom line, and I think the bottom line as we would see it would be about five years.

Mr. KOLBE. I think probably five years is what you are looking at. I have to tell you I think this committee is going to have real trouble with spending such massive amounts of money after five years. I have tried to express that to the Philippines.

MGEN AHEARN. I would think we would want to look at another type of construction other than permanent construction along this duration.

B-2 AIRCRAFT

Mr. KOLBE. The B-2. You have \$96 million in MILCON at Whiteman this year, and you follow on with substantial amounts in future years. Your statement gives the amount that we spent in 1988, 1989 and 1990. What is the number of B-2's that would be based there?

MGEN AHEARN. Sir, we are talking about 30, 32 aircraft.

Mr. KOLBE. About 32 aircraft.

Do you have any idea, if indeed the Congress adopts the option of building only 15 B-2's which are in the works now, what kind of savings would you have in MILCON with that? Have you been able to cost that out?

MGEN AHEARN. I have a program order of magnitude, about \$1.9 billion for the full-basing network.

Mr. KOLBE. Tinker?

MGEN AHEARN. That is Whiteman, Tinker and follow-on bases.

Mr. KOLBE. And follow on.

MGEN AHEARN. That is for the 132 B-2's.

Mr. KOLBE. How many follow-on bases are we talking about?

MGEN AHEARN. Three, sir.

Mr. KOLBE. Three plus the two? That is a total of five?

MGEN AHEARN. Three plus the two.

Tinker is a support base, and the B-2's would be bedded down at the four locations.

Mr. KOLBE. Four locations.

MGEN AHEARN. Three of those are still classified——

Mr. KOLBE. Right.

MGEN AHEARN. So we look at a program of about \$1.9 billion for the network of bases to support the B-2. If we were to bed the B-2 at Whiteman, about \$1.2 or \$1.3 billion would be subtracted from the program.

Mr. KOLBE. So roughly \$600 million to \$700 million might be reduced from the overall MILCON budget?

MGEN AHEARN. No, no. Much more than that. The total program costs about \$1.9.

Mr. KOLBE. Right. And you said Whiteman would be \$1.2 billion?

MGEN AHEARN. No, no.

Mr. KOLBE. The reduction of \$1.2 billion.

MGEN AHEARN. Reduction of \$1.2 billion.

Mr. KOLBE. Okay.

Mr. FAZIO. Will you yield?

Mr. KOLBE. Yes, of course.

Mr. FAZIO. How many would you beddown at each of the four facilities under the current plan?

MGEN AHEARN. It is about 30, 32 aircraft.

Mr. FAZIO. At each?

MGEN AHEARN. Each base.

Mr. FAZIO. Okay. So if we were to assume some reductions in the number we buy, we would be reducing the number of beddowns by a factor related to 32.

Mr. KOLBE. Presumably if you only have the 15, you would not try to bed them down at more than one place. Would you?

MGEN AHEARN. No, sir.

Mr. FAZIO. That is what I assumed.

Thank you.

Mr. KOLBE. Thank you.

Mr. BOATRIGHT. However, I think if you went to something in between a 32 multiple instead of adding another base, we may decide that it would be appropriate to just add those additional bombers at one of the bases that would be in the basic 32.

WILLIAMS AFB, ARIZONA—LAND ACQUISITION

Mr. KOLBE. I have questions on two other areas Mr. Chairman.

You have a request in your MilCon for \$5.5 million for land acquisition in my District for a Williams Air Force Base Auxiliary Field. Probably, you do not very often hear members of this subcommittee try to urge you not to spend money. But that is what I am here today to do. I think there is an alternative here, and I have written a letter to the Commanding Officer of the base and also to the community asking if we can try to have meetings and a discussion of this.

You currently have a lease at the Coolidge Municipal Airport. I think that is practical. It is going to take some very careful negotiating efforts to continue that on a basis that is satisfactory both to Coolidge and to the Air Force. Mark my words on this: the problems you are going to run into, in not just the community, which are substantial, are the environmental problems—Endangered species problems—you are going to run into on the piece of land that you have identified as your highest priority. We have seen over and over again problems with the Endangered Species Act. My colleagues, as they pick up the front page of The Washington Post today, will see one such incident in my District. The colleagues don't know that they voted for the Idaho-Arizona Conservation Act which put telescopes on Mount Graham and the effect it is going to have on squirrels. You have not seen anything yet to the opposition you are going to have because of hawks. It is the largest nesting area for hawks in Arizona on the site that you have selected.

I am here to tell you that you will be tied up in knots for years on this from an environmental standpoint. We need to find another solution for this, and I have offered to serve as a mediator to try to find that solution. But I think it is going to take somebody at a higher level than the Base Commander to do this. I would like your assurance that we could sit down and have some discussion on that issue.

Mr. BOATRIGHT. Yes, sir.

Let me make a couple of comments. First off, I think we have three alternative sites that we are looking at. We do anticipate that we will have some environmental problems that will come out of that investigation. We are in that environmental evaluation process right now.

We have explored the possibility of revising the lease arrangement at Coolidge. To date, these efforts have been unsatisfactory. However, I would agree with you that we ought to look at that alternative very carefully because that is the preferred alternative from the overall Air Force standpoint to stay where we are in any of these operations if we can and not try to expand into another site. So I would be willing to get my office involved in some discussions and be sure that we have fully explored all of the potential alternatives for leasing arrangements.

Mr. KOLBE. I think the time has come for us to sit down and talk about this in a non-confrontational way. But so far everybody is dancing around, and nobody wants to be the one to call a meeting. Both sides have said we really ought to talk about this. But we cannot ask for the meeting. So I have gone on the record as saying we ought to have that meeting. I am here to save this committee \$5.5 million today in my District by not spending this money on this auxiliary field.

Mr. BOATRIGHT. We would be pleased to participate in such a meeting.

We would like to continue on with our environmental process because it is underway. If we do not do that, we lose a lot of time. It is hard to recover that time. So it is our suggestion that we continue with the environmental process for the alternative sites. In the meantime, let us open this discussion to see if we can find a better solution. That is a solution that relates to continued leasing of the existing facility.

INTER-AMERICAN AIR FORCE ACADEMY

Mr. KOLBE. Thank you.

Mr. Chairman, this is the last question. Last year, you were considering relocating the Inter-American Air Force Academy from Panama to one of several different locations, one of them being Davis-Monthan Air Force Base. I asked for a cost comparison in relocating those. You ultimately selected Homestead Air Force Base in Florida. I am disappointed in that. Your analysis concluded that it was going to cost \$16.5 million to locate it at Davis-Monthan and \$12.5 million to relocate it at Homestead. Two of these figures are very suspect to me. One is the \$7.8 million in Military construction at Davis-Monthan. But there is nothing at Homestead. I would like to see those figures verified for me. It seems puzzling to me that a base that is old as Homestead with a lot of wooden buildings and termite problems is going to have no construction, and Davis-Monthan which, as you know, is doing away with the GLCM training facility, a perfect building. It could have been turned right into use for this, a modern, lot-less-than-five-years-old building. It is going to sit there empty at Davis-Monthan.

Mr. BOATRIGHT. Sir, Davis-Monthan under the current study process that we are involved in at Bergstrom Air Force Base for possible closure, Davis-Monthan is a receiver from Bergstrom. Our plan, for receiving one of the missions from Bergstrom, is to use the GLCM facilities. So we do have a plan for the use of those facilities. We are well along with our work on establishing the facility that you are addressing at Homestead. We are well along with

that at this time. We have not forgotten the fact that we do have available facilities out at Davis-Monthan, and the Air Force is making every effort to find a good use for those facilities in the near future.

Mr. KOLBE. It actually now is operating at Homestead?

Mr. BOATRIGHT. Yes, sir.

HOMESTEAD AFB, FLORIDA—DORMITORIES

Mr. KOLBE. My question is this: You have in your request \$5.5 million for alteration of dormitories at Homestead. What is that for?

MGEN AHEARN. It is just a continuous modernization program for dormitories, sir.

Mr. KOLBE. Are any of these dormitories going to be used for IAAFA?

MGEN AHEARN. No, sir.

Mr. KOLBE. You are absolutely positive of that?

Mr. BOATRIGHT. We will double check that for the record.

[The information follows:]

The \$5.50 million dormitory alteration project at Homestead is part of a continuous modernization of all dormitory spaces at the base. None of the upgraded dormitories will house Inter-American Air Forces Academy (IAAFA) students.

Mr. KOLBE. Since you said there was going to be no cost at Homestead, I question this expenditure.

Thank you. I would appreciate a verification of that.

JOINT USE OF HOSPITAL

Finally, Mr. Chairman, I have some specific questions on the proposed joint-use hospital by the Veterans Administration and the Air Force in Tucson. But I will submit those technical questions for the record.

Mr. HEFNER. Mr. Coleman?

Mr. COLEMAN. Thank you, Mr. Chairman.

401ST FIGHTER WING

I want to talk a little bit about the 401st Fighter Wing that they plan to move from Spain to Italy, particularly in light of the President's recent address to the Joint Session, wherein he maintained that we have got to maintain forces. It is important for the United States' presence. So I wanted to ask some specific questions, if I could, about that cost-sharing issue. This has been uttered many, many times. But I think this year it may get everybody's attention—because of what I think we are fixing to do in the budget this year, whether it passes or not. It may not pass because of some of the issues that we face.

But let me at least begin to ask questions. You have indicated that you have been working with the Italians to stay within the \$360 million cap for expenditures for construction of the new base in Italy. What is the latest total estimate of NATO and U.S. cost associated with military construction and family housing? Could you give us that?

Mr. BOATRIGHT. I will let General Ahearn address that. He is much closer to that issue than I am.

MGEN AHEARN. Our latest estimate for the U.S. cost for Crotone now is \$320 million does not include \$38.7M O&M relocation costs i.e. material transportation. Our latest estimate for the total NATO bill is about \$830 million.

Mr. COLEMAN. So you think our estimate would still keep us under that expenditure cap?

MGEN AHEARN. Yes, sir.

Mr. COLEMAN. Is NATO still committed to financing construction of the 2,500 units of housing?

MGEN AHEARN. Yes, sir. NATO is committed to the construction of housing. The number has been reduced somewhat as we have reduced the missions that we plan to move to Crotone. The number is now about 1909 or 1910 units.

Mr. COLEMAN. That is still going to be done on an interest-free and inflation-free reimbursement basis?

MGEN AHEARN. Indeed, it is.

Mr. COLEMAN. Has the United States engaged in any additional negotiations with NATO to increase the allied burden-sharing associated with that relocation?

MGEN AHEARN. Not to my knowledge, sir.

Mr. COLEMAN. For the record, when is the United States expected to vacate Torrejon and relocate at Crotone? When would it be completed for the 401st?

MGEN AHEARN. We are expected to vacate by treaty in 1992, May of 1992.

Mr. BOATRIGHT. May 4, 1992.

MGEN AHEARN. The construction period has just begun. Indeed, the construction period, we believe it to be four or five years in duration. We want to set up plans to do the construction in about three years if we can within the resources that are appropriated. It may be that we will have to use interim basing to comply with the treaty.

Mr. COLEMAN. I guess it is hard to ask a question about actual construction. But when is it expected to start?

MGEN AHEARN. In the fall, sir.

TAX AND SPENDING POLICY

The reason I wanted to ask some questions about what is going on overseas is this. I think there has been, at least in the past, on the issue of the budget, a real problem. We continue to debate. There has been fear and trepidation in my party about introducing tax legislation because everybody knows it is futile. This President is not going to sign it. Even if you could pass it with a majority, you could not override a veto. So we have not been able to look at the revenue side very much except that we have been every year picking \$10, 15 and 20 billion up here and there from smaller tax increases, 13 of them during Ronald Reagan's presidency. We had 13 tax hikes on different bills that raised taxes under President Reagan. Yet, everybody in America believes the guy was against higher taxes. So a lot of us on our side understand the futility of that.

On the other hand, we continue to get budgets sent to us by the President of the United States. In fact, this most recent budget by

this President to the Congress has said, "Here it is. Here, we meet Gramm-Rudman targets. Here is how much I want for domestic programs," whatever it may be. We all know that it is a fake. Some of the assumptions are not true.

For example, the interest rate for 1990 in last year's budget, as sent to us by President Bush, is supposed to be five percent. Believe it or not, in adopting the Democratic budget the Congress said exactly the same thing. We used the same silly numbers. There are a lot of us that think America is some day going to have to wake up.

The only reason I am suggesting this to you is that there are a lot of us that say since we are not told how to get to the budget numbers by the President of the United States that maybe we ought to just tell the President of the United States that we think a ten-to-twenty-billion dollars cut in defense is appropriate. We think that it ought to come from burden-sharing or removal of our forces overseas. That is that. We will just put that in the budget, and then everybody can let the President explain why you cannot do that.

All I am going to say to you is I think that things are going to start coming to a head around here. I am going to tell you that I think the American people out there believe, rightly or wrongly—they do in my District—that we can certainly do a lot less than we are doing in terms of our presence overseas. They do not want us to run the risk of lowering our guard. They do not want to cut to the point where we are endangering ourselves. At the same time, they really believe that other countries are not playing from the same sheet of music as we are, as they perceive they ought to be. So all I am saying to you is I think that some of the costs are going to be a real problem.

For example, one of the most troubling things in your statement, to me, is knowing that I know I go to my District this weekend, is what it says on page 3, "New mission MilCon project," "constitutes 60 percent of the fiscal year 1991 MilCon request." I am going to tell you that they are going to say, "What are you talking about? New mission? Do you not recognize what has been going on in the world?" I am just saying to you that is what they would say to me if I stood up and made this statement. I just do not think that is a very acceptable expenditure to them at the moment.

I think they are going to ask, as the Chairman started off the meeting, with some of the right questions about where this Congress is heading this year. I think for us to presume that we are going to have a B-2 number that has been sent to us by the Secretary of Defense, I think to presume Rail Garrison for the MX, are awful big presumptions for us to talk about in terms of expenditures. I would hope that our committee could get back to doing some of the current business and stress even more than, I think, your request and this budget request stresses, ongoing needs and the maintenance of our housing and so forth. I just thought I should say that from that start.

For example, we have got a move here from Nevada to Holloman Air Force Base. What is the name of that? Tonopah to Holloman. I am all for that. That is my region of the country. Even if it is southern New Mexico, that is also near west Texas. So we are all for that.

TONOPAH AFB, NEVADA

There are some questions I know that are going to have to be answered. Specifically, what happens there to the base? What happens to Tonopah?

Mr. HEFNER. We may have to do that in closed session. I am not sure.

Mr. BOATRIGHT. Tonopah goes into more or less a caretaker status because it has some very high value for the Air Force in various programs. If we do, in fact, move the aircraft to Holloman as we proposed, we would continue to have Tonopah available. But it would be in a caretaker's status. We would probably use it as a part of the RED FLAG operations as a place to deploy from during those types of training exercises.

Mr. COLEMAN. That is a fighter wing that is to be moved. Do I understand it correctly?

MGEN AHEARN. It is.

Mr. COLEMAN. Is that currently an existing fighter wing?

MGEN AHEARN. It is.

Mr. COLEMAN. Is it going to be composed of newer aircraft?

MGEN AHEARN. The same aircraft.

Mr. COLEMAN. The same aircraft. But ultimately to be changed over to a new tactical fighter?

Mr. BOATRIGHT. That is the F-117.

Mr. COLEMAN. Oh, it is. Okay.

I know the training capability from Holloman and the utilization of various MOAs in the region and some of those that we have had some difficulties with in the past. I wanted to make sure that we address some of those questions as we go along in the process because we do not hear when we get a new wing. But we also hear it from other people, pretty far away from bases, who get real concerned about the military training exercises and how it affects them and their cows and their houses and other things.

MGEN AHEARN. We are proceeding, sir, in the context of the National Environmental Policy Act.

Mr. COLEMAN. As usual.

MGEN AHEARN. As usual.

Mr. COLEMAN. Just for the record, give us our total investment at Tonopah, if you do not mind. I would like to see what that is so we are sure we are doing this move effectively, so that we can defend it. I am not so sure it is going to go on without some people raising some questions about it.

Mr. BOATRIGHT. We will do that.

[The information follows:]

TOTAL INVESTMENT AT TONOPAH

The total investment in Military Construction and facility improvements at the Tonopah Test Site is ———

Let me just say that the reason why Holloman becomes a very attractive location for those aircraft is that as we reduce our training requirements in the Air Force the T-38 aircraft presently located at Holloman become excess can be retired. Therefore, the space that is currently available at Holloman is then available for another mission. So we can make some adjustments with the F-15 op-

eration that is presently at Holloman. Then we can bring this mission from Tonopah and put it into some of those facilities that already exist there. We do have to do some considerable amount of work there. But it is less than we would have to do if we were going to have to build totally new space at another location. We believe Holloman is very, very attractive from a cost standpoint. But as Gen. Ahearn said, in the environmental process, we are looking at an alternative, and the alternative is Nellis.

Mr. COLEMAN. Okay. Thank you.

Mr. HEFNER. Mr. Fazio?

B-2 AIRCRAFT

Mr. FAZIO. Thank you, Mr. Chairman. It is nice to see you again, gentlemen.

I just wanted to go back to the B-2 for a second. I am told that the Whiteman beddown is probably the most expensive of the four. Is that accurate?

Mr. BOATRIGHT. Yes, it is, sir.

Mr. FAZIO. I know the other three sites are classified. Could you tell us if there are differences in the beddown costs in the other three that would be useful for this committee to determine what would be the cheapest initial beddown? It would make sense if we are not going to have the four, and I think that is probably the case, then you should start with those that make the most sense from a cost-benefit standpoint.

Mr. BOATRIGHT. The other three bases are pretty close together, and the amounts are a few million dollars apart. Two of them are within four million dollars of each other. The other one is about \$30 million less. So they are very close.

You are right. Whiteman was the most expensive. I think the estimate today is \$646 million for Whiteman, and the others are a little over half of that.

Mr. FAZIO. It is sort of obvious that we ought to start with another facility then. Would you not agree? If we do not think we are going to need all four of them. Whiteman might be the last one we need to develop instead of the first one.

Mr. BOATRIGHT. I think with Whiteman we have spent a considerable amount of money already in providing facilities there. As a result I would believe that your proposal would not be economically attractive for the Government.

Mr. HEFNER. The other two locations combined would not be as much, if we are going to the three bases. The other two that you are talking about combined would not be as much as Whiteman. Is that what you said?

Mr. BOATRIGHT. There are three other bases. The total is about \$650 million for Whiteman. The total amount for the beddown at all four locations plus the work at Tinker is \$1.9 billion. So you have \$650 million for the first base versus a total of \$1.9 billion for the—

Mr. HEFNER. Take out Tinker.

Mr. BOATRIGHT. So you take out the Tinker requirements, about \$100 million.

Mr. HEFNER. What I am trying to get at is how much money have we spent at Whiteman?

MGEN AHEARN. Already?

Mr. HEFNER. And was it exclusively for the B-2?

MGEN AHEARN. Yes, sir. It is. In 1988, we spent \$89 million. In 1989, it was \$59 million. In 1990, it was \$65.5. The budget request before us is \$95.6 million.

Mr. HEFNER. For a total, how much have we spent so far? How much have we appropriated?

MGEN AHEARN. About \$200 million.

Mr. HEFNER. So a third of it?

MGEN AHEARN. Yes, sir.

Mr. FAZIO. I guess in hindsight it is easy to be a critic. But on the other hand, this facility, as I understand it, was the least prepared of all as we looked down the road to beddown the B-2 because it did not have the runway capacity, et cetera.

Mr. BOATRIGHT. It did not have a bomber mission assigned to it at the time. Therefore, it has required a much larger amount of facility improvement in order to make it ready for the B-2. It does, however, have an excellent location to support the B-2. If the final decision should be that we would only have requirements for one base, we believe that Whiteman is an excellent choice for the base for the B-2.

MORATORIUM ON MILITARY CONSTRUCTION

Mr. FAZIO. It is a tough call for the committee, and we really need to look at it.

Let me ask just another question about the overall budget. Secretary Cheney's temporary moratorium on Milcon is going to affect a number of projects. Could you tell us how it is going to affect those currently in the design and construction phases?

Mr. BOATRIGHT. Let me ask General Ahearn to address that since he manages that program.

MGEN AHEARN. The moratorium was to defer contracting for new design or for construction until the end of April. We are to report after having reviewed the closure decisions and study proposals, to review all of the construction, to determine whether or not there is any construction that should be deferred given the late decisions and late study announcements.

We have done that review. We believe that more than 95 percent of the programs that we have will remain in a steady state. We should press on. We believe that there is some \$200 million of either design hold or construction hold that should be released now. We think we have work to do and commitments to deliver to the program offices into base development.

So, in summary, in a macro, the moratorium review that I have completed gives us some deferral requirements. I do not see a significant impact to the delivery of MilCon.

Mr. FAZIO. Maybe five percent of the total, is that what you mean?

MGEN AHEARN. It would be five to ten percent, sir.

Mr. FAZIO. In announcing it, the Secretary said this moratorium will permit the Department to further exercise careful stewardship

of taxpayer funds devoted to military construction in light of the coming changes in force structure and disposition of U.S. Armed Forces. He indicates a wait-and-see approach. It makes sense. I am just wondering why the same approach did not make sense on the whole question of base closure and realignment.

If the concept is a good one—and I think there is some rationale for it—it seems to me you ought to apply it across the board.

MGEN AHEARN. Sir, I think that is the core-focus of the policy. It is to assure ourselves that we are not placing under contract a fiscal obligation for a base—

Mr. FAZIO. I understand. But I am saying why can we make judgments on base closure for realignment while we are in the process of making this whole re-evaluation of our force structure and our deployment of troops. I think the same concept should apply. That is why I guess I am an advocate of the commission concept. It is a wait-and-see approach.

Mr. BOATRIGHT. As I understand it, the only thing that the Secretary of Defense exempted from his moratorium on construction were those projects that were necessary to carry out the base closure commissions recommendation and finally concurred in by the Congress to close the first round of bases, as I call them. But those are the bases that he was talking about when he exempted, not any of the bases that are currently under study for closure. Those were not excluded from the exemption.

BASE CLOSURE STUDIES

Mr. FAZIO. I guess there is still some confusion about what the difference between the commission's recommendations were and those that were up for study, which really does not start any clock running. It does not really put the Congress in a position to really evaluate those at the moment. Does it?

Mr. BOATRIGHT. No, sir, because the ones that are under study, we are trying to comply with 2687 requirements, which require the Department to do certain studies and make its announcement of decision to the Congress with the President's budget. So we had to announce that we were going to do the studies because we have to do these studies in a public process under the National Environmental Policy Act. So we announced that we were going to do those studies this year. Next year, we plan to have our decisions ready and all of our reports that are required by law to accompany those decisions to the Congress with the President's budget. At that time, the Congress will have the opportunity to act on those decisions.

Mr. FAZIO. How much money are we spending on these studies in the interim this fiscal year? Do you have a figure for us?

Mr. BOATRIGHT. I do not have a figure.

MGEN AHEARN. The environmental impact study that we have initiated for the four bases for review, about three to four million dollars.

Mr. BOATRIGHT. I would suggest that in addition to that, there is some considerable in-house study work that is being done to comply with the other requirements of law. The socio-economic and the environmental process is primarily done by contract.

Mr. FAZIO. Could you tell us how much that is for the record if you have that information?

[Information follows:]

MONEY SPENT ON STUDIES

The awarded contract cost for completing the four base closure EISs is \$1,253,539. These EISs will be used to satisfy the environmental study required under 10 USC 2687. 10 USC 2687 Local Economic and Strategic studies will be accomplished by contract and are estimated at \$295K. The remaining three: Operational, Budget, and Fiscal Studies, will be accomplished by MAJCOMs and costs for these are unknown at this time.

Mr. BOATRIGHT. We would be pleased to do that.

Mr. FAZIO. I guess what you are saying is unless you have formally announced that these are being considered, there is really no work being done on any other base closure realignment at the moment?

Mr. BOATRIGHT. No. I could not say that.

Mr. FAZIO. That is what I was afraid of.

Mr. BOATRIGHT. I believe the way the future budgets look and with the reduction in threats that we see and with the ongoing negotiations, both the START negotiations and the CFE, conventional force negotiations, that there is going to be much less demand for the base structure that we have. We are going to have to draw down that base structure as we bring the force structure down. So we are looking at additional bases internally within the Air Force.

Mr. FAZIO. That makes sense to me on a macro basis, and I guess I have to ask them why some are out being studied publicly and others being studied internally?

Mr. BOATRIGHT. Because we have already made decisions on the force structure that is associated with the present bases we have announced for study. We have said this force structure can go away based on the current situation, and, therefore, we decided that we should begin the process, which takes us a year to get to the point where we can make a judgment and, if our decision is to close an announcement to the Congress and then wait a period of time and then be able to get on with the actual closure of these bases.

The requirement for time under the law is a very difficult one to deal with. But if we find ourselves in a situation that we need to get bases closed in fiscal year 1992 or 1993, we have to do something right now.

Mr. FAZIO. I think Congress would like to participate or at least have more insight into the decisionmaking process one way or another in what falls into the category of being moved up front. We would like to see what is coming over the horizon. After all, if you do make significant reductions, there are a lot of choices to make. Realignment certainly comes into play, too.

So I do not know what the committee's choices will be. The Chairman has not given us his insights on this. But I do think that the authorizing committee is going to move forward on a commission concept, maybe even in advance of the overall Defense Authorization Bill, which could put Congress in a different position as to how they want to work with you on this.

Mr. BOATRIGHT. We understand that. Certainly, if we have to make adjustments based on new law, we will certainly do that.

What we are trying to do is take the most prudent course of action on our base structure under the existing law.

MATHER AIR FORCE BASE, CALIFORNIA—CLOSURE

Mr. FAZIO. Let me ask two questions that are a little more close to home. As you know, Mather has been scheduled for closure in 1993. I wondered if you could give us some insight on what will be the answers for retirees and active duty personnel in the area as it relates to health care.

The hospital, as you know, serves not only the Mather personnel, but 3,300 active duty personnel at McClellan. We have just completed a new clinic at McClellan, a very capable facility, I might add. But we do not have a hospital. I assume if we try to close the Mather Hospital and make it a Veterans facility that we are going to have to build a hospital at McClellan, 10 miles away. Are we caught up here in a problem that relates to the big picture on base closure that does not make sense in dollars-and-cents terms locally?

Mr. BOATRIGHT. I think that you have come very close to identifying a problem that we are rather frustrated with in the Air Force. The base closure law that we are acting under, left only one military function at Mather, and that is the Reserve activity. That is based on the assumption that the base will continue to be operated as an airport.

Therefore, under that law, we are not allowed to keep or consider keeping the hospital there. Now, from a cost-effective standpoint, our studies indicate that it would make a lot of sense to the Department to keep the Mather Hospital and operate it either jointly with the VA or independently by the Air Force as an annex from McClellan. In doing that, we could take care of the active force need of McClellan. In addition, we could continue to provide some service to the retired community.

We are caught in between here on the provisions of the law and a prudent course of action. At present, our plan is to close the Mather Hospital.

Mr. FAZIO. In other words, because of OSD opposition, we are going to plunge ahead and do the wrong thing.

Mr. BOATRIGHT. I am not sure I would say because of OSD's opposition. I believe I would say because of the way the law is written and the recommendation of the commission, which the law embraces. We have found ourselves in a situation where we must take an action which today appears to us as not being economically prudent.

Mr. FAZIO. Would the Administration request that Congress review this? Is it possible they would trust the Congress with some judgment call on this sort of matter or would that just be a precedent we could not live with?

Mr. BOATRIGHT. From my personal view point, I would like very much to come to you and ask you to let us keep the hospital open. But, at this point in time, we do not have that authority to make that request.

The Air Force though is still considering the possibility of keeping the hospital open. The hospital is not in danger of being closed immediately. At the appropriate time, we will re-address this issue. What that final decision will be from the Department of Defense standpoint, I am not sure. But I do know that we clearly believe that it is in the best interest of the Department to keep it open.

Mr. HEFNER. Will you yield?

Mr. FAZIO. I will be happy to yield.

BASE CLOSURE AND REALIGNMENT

Mr. HEFNER. It is not an immediate danger. But you get out of sight, out of mind. You get out of the loop. That is an argument that we met, not an argument, but we felt like quite a few of these base closures would be economic to make. I would imagine if you had your "druthers"—we say that in North Carolina you would like to make some changes in some of the base closures.

Of course, the ones that you are referring to are strictly candidates. You know what happens to candidates from time to time. They do have a tendency to lose, to get upset in the primaries and what have you.

Mr. BOATRIGHT. We would like to probably make some minor adjustments. However, we believe that the five bases that were identified by the commission for closure by the Air Force are very, very cost effective, and remain very attractive from a cost standpoint. If you recall, the Base Closure Commission considered a five- to six-year payback as being attractive. The bases that we are talking about and are studying now for closure, Eaker, Bergstrom and Myrtle Beach, will pay back in less than a year-and-a-half's time. They are even more very attractive from a cost standpoint because the force structure essentially is going away. We do not have to build things in any great degree at other locations in order to accommodate movement of forces from those bases.

Mr. HEFNER. That is provided that you do not run into anything as far as the cleanup.

Mr. BOATRIGHT. Our position on the cleanup is that we, the Government, are faced with the bill of cleaning up past contamination at these installations whether or not we close them. Therefore, we do not look at the clean up that bill as being tied directly to the base closure decision.

Mr. HEFNER. I know. The money has to come from somewhere. Even if we were going to dispose of it, if we find ourselves, say, at Myrtle Beach, with a situation of a cleanup problem, we have to do that before we can settle this. It might come out of this pocket. But it still comes out of some Government function.

Mr. BOATRIGHT. Yes, sir. But if there were contaminated areas at a base, we would retain those contaminated areas and get them cleaned up in accordance with a funding schedule pretty much like the schedule that we already have at those installations to clean them up. As those parcels that we have held back get cleaned up, then we would sell them or convey them under one of the authorities that exist.

HAMILTON AFB, CALIFORNIA

Mr. FAZIO. Mr. Chairman, I would just pick up where you left off on that. I think any of the members who have been affected are not going to fall on their sword here because they feel the paybacks and other rationales make sense. But they are going to be anxious to try to give their community some way to create employment.

When we look at Hamilton and the fiasco that we have had there, 15 years later we are still around zero. I just think this committee is going to want to keep faith with those members that work with the Air Force or any other service branch to try to make these things happen, to make sure they do not get penalized coming and going.

Mr. BOATRIGHT. Yes, sir.

We are working very closely, as I think you know. In the Sacramento area, we are working very closely with that community on Mather. We are working with all the communities. We must under the law governing disposal of the property comply with all of the federal disposal procedures. That is for airports, the FAA has authority to identify certain amounts of property at the airfield that will be necessary to support a civil airport, and we are authorized to discount the value of that property by 100 percent. We will, of course, sell part of the property. But a considerable amount of the airfield will, in fact, be conveyed to those communities assuming they want to use it for that purpose at no cost.

Mr. FAZIO. Would you for the record tell the committee what you think could be done to ease this process in transition to the private sector, having had the opportunity to work with this law or these sets of laws over the last year? I would be interested just for our benefit to know how you think it is working and what streamline in the changes might be appropriate to make this transition easier in the future because we are going to have a lot more. I think we just need to know that this system is working at an optimum level. This committee might want to try to provide some leadership if we find there are problems cropping up.

Mr. BOATRIGHT. I believe that the procedures that we are operating with under the Base Closure Law are very good and are quite streamlined. We are very comfortable with them.

The primary thing that concerns us in base closures is the time that it takes from an initial announcement saying we are considering this base to getting to the point where we can, in fact, close the base and the reuse can begin because what happens during that period of time is we put a lot of people's lives up in the air. We run a lot of small businesses completely out of business.

Mr. FAZIO. It is Congress who represents the area. We cause disruption not only to our own force, but we cause disruption to the community force as well.

Mr. BOATRIGHT. So we would like to see whatever procedures come out to include provisions that will permit the shortest possible time from proposal to a decision. This would result in the least possible disruption and very early and responsive economic recovery.

Mr. HEFNER. Just like MacBeth, "If it were done, well it were done quickly." If you get it, get the tail and get out.

Mr. BOATRIGHT. Exactly. Yes.

Mr. FAZIO. Members may come around to that point of view increasingly.

Mr. HEFNER. But here, you are running out of it.

Mr. FAZIO. I am just going to put two questions in the record on the anomalies that relate to Norton Air Force Base in the Ballistic Missile Office, which is similar, I believe, to the situation that you face at Mather on health care. Please respond for the record.

Mr. BOATRIGHT. Yes, sir. We would be pleased to do that.

[The information follows:]

MATHER HOSPITAL

The Base Closure Commission provided that the Ballistic Missile Office remain behind after Norton AFB closes. At Mather AFB, the Commission provided that the Air Force Reserve (AFRES) Air Refueling Group with KC-135 aircraft remain at Mather AFB if local authorities elect to operate the Mather facility as an airport. Otherwise, the Commission dictated that the AFRES unit would move to McClellan AFB.

FUEL STORAGE TANKS AT MCCLELLAN AFB

Mr. FAZIO. Also, on the fiscal year 1990 military construction project of jet fuel storage tanks at McClellan, you have come in with bids at \$2.6 million above the amount appropriated last year. This is a very important project.

MGEN AHEARN. I am hand carrying that project to get it under contract and meet the EPA standards.

Mr. FAZIO. Are you going to be coming back and asking us for additional funds?

MGEN AHEARN. I am indeed, sir.

Mr. FAZIO. I will let you expand on the record.

[The information follows:]

FUEL STORAGE TANKS AT MCCLELLAN

The Jet Fuel Storage Complex in the FY90 Military Construction Program at McClellan AFB CA is required to bring the base into compliance with the Clean Air Act. The new facility must be operational by January 31, 1990, or the base will be under threat of shutdown of its fuel operations and/or fine by the EPA. To allow for normal construction time the project should be put under contract by April 30, 1990.

Bids were opened January 18, 1990 and the low bid was \$6,200,000 which is \$2,200,000 above the program amount of \$4,000,000.

We are preparing a cost variation/reprogramming package.

MGEN AHEARN. Mr. Boatright has not seen the package.

Mr. FAZIO. After you two have compared that package, we would appreciate your remarks in the record.

MGEN AHEARN. Good.

Mr. FAZIO. Thank you.

Mr. HEFNER. I have some questions for the record. I especially want you to give us an in-depth answer to them. This concerns Vandenberg, and I want to get back sometime and talk about Tonopah because we have some real reservations about that.

Mr. DeLay, I appreciate your patience.

AIR FORCE ACADEMY, COLORADO

Mr. DELAY. I am full of patience, Mr. Chairman. I even wore the Chairman's tie. It is a North Carolina tie.

I just want to approach one issue and then maybe a side issue from that.

It is good to see you Mr. Secretary and General Ahearn.

I am on the Board of Visitors at the Air Force Academy. We just came back from visiting the academy over the weekend. I was sitting here trying to remember what year the cadet wing was expanded. Can you remember? It was back in the seventies. Was it not?

MGEN AHEARN. Sir, I think it was early seventies, late sixties. But we are nearly 20 years into that.

Mr. DELAY. You are almost 20 years into that. The cadet wing was expanded by how much? I cannot remember. Was it 75 percent?

MGEN AHEARN. I would say about 2,000. It was up to about 4,400.

Mr. DELAY. Yes. It went from 2,500 to 4,400. Yet, the educational facilities of the academy were not expanded. The dormitories were expanded. You built a new dormitory, but; the educational facilities and medical facilities were not expanded when we almost doubled the wing. Over the period of time it has become evident in order to accommodate the educational, medical and training facilities capabilities for the cadet wing, Fairchild Hall has been used for all three—education, medical and training. It is apparent to me, having served on the Board of Visitors now for two years, that maybe it is because I came on the Board of Visitors that the OSD has turned down requests to expand that facility for two years. I do not know. I am sure that is a coincidence.

Number one, Fairchild Hall is inefficient for accommodating those three missions for that hall. You have students almost sitting on top of each other. With the new technology, especially computer technology, expanding not only in this academy but across universities in general, heat pollution has become a problem in Fairchild Hall. In the medical facility, you had to cut down class size because of the inability of the academy to provide for science classes and labs to accommodate efficient class sizes. In the medical facilities, you have cadets and retirees literally sitting on top of each other in the waiting rooms and sitting on the floors in the halls because of the inadequacy of facilities in the medical clinic. I could go on and on and on. I cannot understand, especially if you look at what we have talked about this morning in the realignment, force structure and base structure meeting with Cheney. Yet, unless I am wrong, there is not going to be a realignment in the academy. You are going to continue the present strength of the cadet wing. You are not even considering cutting the cadet wing. Quite frankly, I do not think that you should.

But in light of the fact that the facility is the same facility that used to accommodate 2,300 cadets and now accommodates over 4,000 cadets or trying to, why is the OSD bent on denying a request for the facility?

Mr. BOATRIGHT. Let me just address that. We, the Air Force, agree with your assessment of the situation. That education facility remains a high-priority Air Force requirement. If it had been left to the Air Force, it would be in this year's budget. Even with the budget constraints we are faced with, that particular project would have been in the Air Force's budget. It was denied at the OSD level. The reason for the denial is a difference of opinion as to the priority of that requirement. The Department of Defense in their overall decision process of deciding what should be in the Defense budget decided that the priority of that particular requirement was not sufficient to make this budget. So it was denied in that process, and that is their prerogative.

We understand this process. We go through it with all of the things that we propose in each budget cycle. But from an Air Force viewpoint, we thoroughly agree with your assessment, and we would like to have that project in our budget, and we will once again next year seek to get support from OSD.

Mr. DELAY. I will address it in just a second, you are attempting to get it in the budget for next year. You may not have to.

I do not want to put you on the spot, but, is this a case of the OSD looking naturally at a lot of line items? Can you just zero in on a \$37-million line item and strike it in the process of setting up this budget? Is that why? Are there good reasons?

Mr. BOATRIGHT. Being very candid, I think that a big project like that becomes a target when you are trying to squeeze into a budget. But I do not believe and have no reason to believe that anybody in OSD would be doing this without due consideration. I think, pure and simply, it is a difference of opinion, a different judgment. They are looking at it from a Department of Defense viewpoint. They are looking at all the requirements of the Department, the Army, the Navy, the Air Force and the Marine Corps. We are looking at it from a very parochial view, and that is an Air Force requirement. We made it a part of our budget submittal to OSD, and they denied it. But I do not believe it is being looked at in any kind of simple form. I think they have looked at it the way they should address our program.

MGEN AHEARN. An observation, as we develop the Air Force Academy and have advocated requirements over time, a mindset exists. That Air Force Academy is brand new. It is 30 years old. It requires capital maintenance and repair as well as updating. As you highlighted the many deficiencies there and many changes there, it has always been difficult to convince people that a capital investment is required for that academy.

Mr. DELAY. The plant may be brand new. But the mission has been doubled.

MGEN AHEARN. Sure.

The plant is not brand new. It has met its economic life.

Mr. DELAY. The academy right now is violating OSHA, and it is violating EPA regulations.

MGEN AHEARN. Exactly.

Mr. DELAY. Is it not true that if we do not at least show OSHA and EPA that there is a good faith attempt to correct the situation, with at least starting the design and letting them know in the very near future the facility may be built, we are going to have to spend

the next year five to \$6 million on a facility to comply with OSHA and EPA? And, we are not going to get any increase capacity for the medical training or education facility.

MGEN AHEARN. It is not a good solution, sir.

Let me give you a sense. We face in the Air Force a very significant planning and design shortfall, but we have put our money on the design of the Air Force Academy, expansion of Fairford Hall, because we think that requirement stands right at the top of the base development list. We will do everything we can to deliver this project.

Mr. DELAY. It is very frustrating. When you are talking about putting it into next year's request, by the time you put the request in and if OSD approves it and if we start construction in 1993, we will have already spent the five to \$6 million.

MGEN AHEARN. Yes, sir. But let me say why I made that comment because we, the Department of the Air Force, cannot propose any adjustment or amendment to the President's budget. Therefore, the first vehicle that is available to us, the Department of the Air Force, to program for this construction is next year's program.

Mr. DELAY. I understand that procedure. But as Mr. Coleman so eloquently pointed out, the Congress does not seem to pay much attention to your budgets anyway, and I just want this committee to know. I'm sorry the Chairman got up because I wanted him to know, too, that I have spoken with Norman Dicks who also is a member of the Board of Visitors.

Out there this weekend, we had Senator DeConcini, who is on Appropriations on the other side, Senator Grassley, who is the Ranking Minority on construction on the other side of the rotunda; Senator Cochran, who is also on Appropriations. We have decided that this is going to be a mutual project for this year, and we feel like if this continues to be put off, all we are going to do is spend more money for no reason other than to comply with federal regulations. It does not help the academy or the Office of the Air Force. It is just unfortunately that the OSD has taken this approach. That delegation, which can be expanded to Representative Downey and Representative Barnard, are going to go and talk to the OSD and see what we can do about it because this has gotten way out of hand. The cadet wing as well as the future of the caliber of officers that we send from the academy to the Air Force is going to be diminished from the lack of facilities. I think it can fit in all this realignment stuff.

Mr. BOATRIGHT. We will certainly be watching with great interest your initiative here. On my own time, I will be applauding that initiative.

VANDENBERG, AFB, CALIFORNIA

Mr. DELAY. I appreciate that.

The only other thing that I might point out is in looking for money, the subcommittee—and maybe you will not appreciate this. But the launch facility at Vandenberg is in mothball status, I understand, and the Air Force is requesting \$19 million for a new facility at Vandenberg. In light of the fact that the shuttle launch facility will not be used any time in the near future, is it possible

that modifications can be made to that facility to accommodate and possibly save some money that we could put into a new building over at the academy?

Mr. BOATRIGHT. We are required to evaluate that alternative, and we are in the process of doing that right now. We expect to complete that evaluation by the end of June this year.

What we did was we had a request for proposals in the works for the new facility. We now have received those proposals. We have also asked for proposals on modifying the shuttle launch facility. Then, when we get those proposals in, we will have the two that we can compare. Then we can look at this not only from a cost-effective standpoint, but also from an operational standpoint. We believe the decision should not be made strictly on the basis of cost, although that ought to be a very major consideration. But we ought to look at some of the operational aspects of that decision as well.

But we are on the track to reach that decision, and we do have some constraints in the law in regard to what we, in fact, can do at this point, and we do plan to come back to the Congress if we should decide to do anything other than modifying the shuttle launch facility.

MGEN AHEARN. I might suggest, Mr. DeLay, that that's really not a very good source of funding. There is a requirement to deliver a launch facility for the Titan IV to meet the already prescribed and scheduled national set of priorities.

Mr. DELAY. I understand. I just brought that up.

Under the pressure of capping our budget here for this subcommittee, we are not talking just for the committee. We are not talking about \$36 million one year. It will take two years to build that facility. So we are looking at maybe \$18 million.

MGEN AHEARN. Sir, I would suggest that things have changed significantly since we have built our budget with base realignments. We can help find the requirements that have changed.

Mr. DELAY. Can you submit a form 1391 to justify this project to us? Is that possible?

MGEN AHEARN. I would be pleased to.

Mr. DELAY. For the record, thank you.

[The information follows:]

1. COMPONENT		FY 1991 MILITARY CONSTRUCTION PROJECT DATA		2. DATE	
AIR FORCE		(computer generated)			
3. INSTALLATION AND LOCATION			4. PROJECT TITLE		
UNITED STATES AIR FORCE			CONSOLIDATED EDUCATION AND		
ACADEMY, COLORADO			TRAINING FACILITY		
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST(\$000)		
8.47.21	171-853	XOPZ900011	36.000		
9. COST ESTIMATES					
ITEM	U/M	QUANTITY	UNIT COST	COST (\$000)	
CONSOLIDATED EDUCATION AND TRAINING FACILITY	SF	231,000	110	25,410	
SUPPORTING FACILITIES				6,520	
UTILITIES	LS			(1,500)	
SITE IMPROVEMENTS	LS			(1,800)	
PAVEMENTS	LS			(390)	
COMMUNICATIONS SUPPORT	LS			(1,000)	
DEMOLITION	LS			(300)	
SPECIAL FOUNDATIONS	LS			(680)	
PARKING GARAGE	LS			(850)	
SUBTOTAL				31,930	
CONTINGENCY (5%)				1,597	
TOTAL CONTRACT COST				33,527	
SUPERVISION, INSPECTION AND OVERHEAD (6%)				2,012	
TOTAL REQUEST				35,539	
TOTAL REQUEST (ROUNDED)				36,000	
10. Description of Proposed Construction: Construct a two story addition to match existing architecture of aluminum, glass, concrete and stone. Ground floor parking and an open air courtyard are included. Roof will match terrazzo level. Project includes other necessary support.					
11. REQUIREMENT: 1,043,100 SF ADEQUATE: 690,800 SF					
SUBSTANDARD: 166,100 SF					
PROJECT: Construct a consolidated education and training facility. (Current Mission)					
REQUIREMENT: Additional space to support curriculum changes in support of technological advances and improved teaching methods. Academic programs must expand in response to added fields of study, greater reliance on computers, and growing demand for a more technically oriented curriculum. Subject related classrooms and laboratories must be collocated for more effective use of space. In addition, adequate environmental systems are required to comply with various health and safety codes.					
CURRENT SITUATION: The cadet wing has grown over 75% (2,500 cadets to 4,400 cadets) since the academy was constructed. The expansion to 25 academic majors, increasing computer use, and more technical courses have made the existing academic space inadequate. More laboratory space is critical to engineering studies and existing labs are limited due to inadequate ventilation and fire suppression. The academic building was expanded, but only by 36%, with approximately one sixth of this being a library expansion and only 10% being laboratory space. The resulting shortfall, coupled with the need for laboratory space to support the more technical curriculum, has seriously degraded the program. The cadet medical clinic has also failed to expand as needed, and the dental clinic must be moved from the dormitory to free space for more bedrooms. The					

1. COMPONENT	FY 1991 MILITARY CONSTRUCTION PROJECT DATA AIR FORCE (computer generated)	2. DATE
3. INSTALLATION AND LOCATION UNITED STATES AIR FORCE ACADEMY, COLORADO		
4. PROJECT TITLE	5. PROJECT NUMBER	
CONSOLIDATED EDUCATION AND TRAINING FACILITY	XOPZ900011	
addition of computer work centers has further exacerbated the overcrowding. <u>IMPACT IF NOT PROVIDED:</u> This project is critical to the successful accomplishment of the Academy mission. Without it, advanced education and training of the future leaders of the Air Force will be seriously compromised. <u>ADDITIONAL:</u> An economic analysis has been prepared comparing the alternatives of new construction and revitalization. Based on the net present values and benefits of the respective alternatives, new construction was found to be the most cost efficient over the life of the project. There is no criteria/scope for this project in Part II of Military Handbook 1190, "Facility Planning and Design Guide".		

Mr. COLEMAN. I want to say that my comments, Mr. DeLay, about the budget, are not that we are going to be able to throw the whole thing out. I mean, I think having a Budget Act has probably kept spending down. All you have to do is look at the history up until the time of the Budget Act and see where we were heading without it. I think people would probably say the same thing about Gramm-Rudman. Quite truthfully, if we had not enacted that, where would spending have been?

I am saying we are at the point today in the history of the United States economically, that in a budgetary sense there is a crisis. We cannot continue to do the things we have done in the past.

I heard the Chairman of the Senate Finance Committee suggest that the new number will be about \$14 billion in new revenues, and there is no place to go get them. We have done all the little nit-picking, little small things, year after year, and that is just about over. So unless we fess up and face reality about taxes, then you are going to have to cut more spending somewhere else.

All I am telling you is that in my view, really and truly, a lot of members of Congress on my side feel very strongly about the political advantage to be gained by suggesting that we do not need to have that same presence overseas that we have now. I think that is what we are beginning to see.

PERSONNEL REPROGRAMMING REQUEST

I would like a comment from you about the most recent events, on the reprogramming request concerning personnel. I wonder how the Air Force would be affected, what your estimate is about how the Air Force would be affected if, in fact, reprogramming does not occur. I understand this is now being opposed by the Chairman of the House Armed Services Committee.

Mr. BOATRIGHT. I am not qualified to respond to that particular question. We certainly can provide it for the record.

The information follows:]

REPROGRAMMING REQUEST CONCERNING PERSONNEL

If in April the Air Force were notified that our reprogramming request for \$228 million was not granted, we would be forced to take actions which would reduce and strength by nearly 43,000. Additionally, we would have to freeze promotions for the remainder of the fiscal year, which directly impacts another 29,000 individuals. These actions would have catastrophic impacts on both the operational readiness of the Air Force and the morale of Air Force personnel and their families. Their effects could take a generation to overcome.

Mr. COLEMAN. And I know this is a longer question. But also how might this affect the things we have discussed when we talked about housing and the rest, the military construction budget.

MGLEN AHEARN. The immediate impact, of course, is reduced and the deferral of pay raises and early separations from service. The reprogramming is significant to us for our personnel structure and our personnel recruitment development and retention.

The ripple effect or ripple impact into the line of the Air Force, I have not accessed. I would hope that we could from the Congress get the support to do that reprogramming. That is a very significant impact to the fundamental spirit of the force.

Mr. COLEMAN. Let me say, General, I completely agree with you that the fundamental impact is devastating.

I have to say to you from the other side of the issue that what I hope the service is recognizing is that Mr. Darman put you in this position, not Mr. Aspin.

Mr. Darman made the decision. In fact, they were embracing last October and November are the concept of sequestration. They said the closer we get to it, the better it seems. They really embraced that, and we sequestered.

The domestic side took a sequester, and they are having to live with it. We understood that Defense was having to take it, and now there is a reprogramming request so that the pain is not felt equally or shared equally under Gramm-Rudman. All I am saying is that as long as we understand where the problem came from and the difficulty for anyone to now accept reprogramming, we are left with this: We will do it again next year. If you say it forces us to meet the budget targets, makes it look okay, then we will come in, and we will need to reprogram again for the Department of Defense.

If we did not mean what we said in Gramm-Rudman, we should not have put Defense into the formula as we did. But we did do that. Senators Gramm and Rudman and the fellow from South Carolina, Hollings, when they all sat around and decided to do that, there were some negotiations about how that would be shared. The sharing is to take place without the reprogramming.

Now, we want to change that. I am one that says, "Yes. That is pretty important to a lot of us." One of the things I worry most about on this committee is in the very two terms you just used, and those are "recruitment" and "retention." I do not think we ought to throw away what we have built up. When I say "built up," I am talking about men and women in the service. All the rest of that to me is not nearly as important as the people. So I am one of those that thinks that it is extremely important.

I do not see how any of us could impress on our colleagues that they should do that when we know that exactly the same thing is going to happen next year. I mean it is easy for Darman to be for this sequester when it comes to programs he does not care for too much. But, as one of my colleagues said yesterday, how about the employees at the child care centers who have already lost their jobs? They are out. They have been separated. So how about them? They have already felt sequester. But now we do not want Defense to feel it. We may not have the same kind of investment maybe. It is tough to make the argument to different people who have been affected by what we do. We have a lot of state and federal employees who have been separated, who worked for our Government, who worked for our country, whether they are at the state level, local level or the federal level, and we have lost them because of sequester. I think it is a disaster. We are going to lose some more.

So I continue to maintain that it is this read-my-lips mentality that is causing it. Until we recognize that, I think we are going to be in the same boat year after year. I think it is too bad.

I would hope that we could continue along this vein, not being the Budget Committee, but at least the Appropriations Committee. In a full session, the Subcommittee needs to get exactly the impact

it is going to have and what the true estimates are of our losses. Because I think there are going to be losses. I think it is going to be a loss of a good deal of investment by the American taxpayer. What are we going to lose when we have to separate people out, many of whom we are going to make mistakes with? I am always worried about the mistakes we make when we separate some people. I think it has happened before, and, hopefully, we were 90-percent correct. But the 10 percent we lose, we should not have lost. It is terrible. I am afraid these kinds of cuts are going to be a lot stiffer, and they are going to hurt recruitment more than we know.

MGEN AHEARN. Yes, sir. It is devastating.

BERGSTROM AFB, TEXAS

Mr. COLEMAN. I agree with that.

Finally, before we adjourn the meeting, I would just like to say I think the closing of Bergstrom Air Force Base, where as you remember we filmed Dr. Strangelove, would be a big mistake. That is how we learned to love the bomb. Do you remember the movie? Remember, they filmed that there. I think that caused the Department of Defense to become a little more concerned about the utilization of their facility after they saw the movie. I think there was a new directive put out about the kind of movies that would be filmed at military installations nationwide.

Thank you.

Mr. BOATRIGHT. Let me assure you, however, that that was not a part of our decision to study Bergstrom for closure.

Mr. COLEMAN. Thank you very much. I appreciate your testimony.

Mr. BOATRIGHT. Thank you, sir.

MGEN AHEARN. Thank you, sir.

Mr. COLEMAN. The Committee stands adjourned.

CLERK'S NOTE. Questions for the record submitted by Chairman Hefner.

MX RAIL GARRISON

Question. The Air Force is requesting about \$240 million for MX Rail Garrison at 3 new sites—Barksdale AFB, Louisiana; Fairchild AFB; Washington; and Grand Forks AFB, North Dakota. Why is this request being made in view of the changing scenario in the world, the START talks which are scheduled to be completed this summer along with other uncertainties?

Answer. The redevelopment of our existing Peacekeeper assets to the Rail Garrison basing mode is a direct response to the perceived diminishing survivability of silo deployment. The Soviets continue to modernize their strategic capabilities and technologies, increasing the threat to our silo-based assets. Mobility provided by Rail Garrison will complicate Soviet planning, thereby increasing strategic stability. Current START negotiations include no options to ban mobile MIRVs.

Question. Why not program construction of the MX Rail Garrison like the B-2 program—that is one base at a time until it is

more certain that the Administration and Congress will support the deployment of the mobile MX?

Answer. Garrison sites for the Rail Garrison program will be built to support the production schedule of the missile trains. This construction schedule is necessary to support the current program schedule with a December 1992 First Assets Delivered (FAD) and a December 1994 Full Operational Capability (FOC), a two-year deployment window.

TITAN IV

Question. I note that the request of \$19.2 million is based on constructing a new complex. However if the Administration and Congress decide to modify the existing Shuttle Complex, how much funding would be required this year and how would it be used?

Answer. The \$19.2 million required in FY91 is for a launch operations control facility and a warehouse which will be required regardless of whether we build a new facility or modify the existing Shuttle Complex.

VANDENBERG LAND ACQUISITION

Question. At Vandenberg Air Force Base, you are requesting \$10 million as a first increment to acquire land interests south of Vandenberg Air Force Base. I understand that acquisition of 55,000 acres in either fee or restrictive easements is being considered. Has the Air Force determined what lands are likely to be acquired in fee and what lands by restrictive easement? Could you expand on your plans?

Answer. The Air Force has initiated a process to determine the degree of realty interest to be acquired to meet the missile launching operational requirements at Vandenberg AFB. The area of interest contains approximately 55,000 acres of land. The Air Force seeks to ensure that development in this area remains compatible with the safety operation of space launch activities.

Question. Is the Air Force attempting to minimize costs by securing restrictive easements rather than fee acquisition?

Answer. The Air Force has no requirement to own the lands within the area of interest. The requirement is to limit population densities to safe levels. Easements preventing incompatible development not only minimize acquisition costs but avoid costs of land management if owned in fee.

Question. Would the Air Force agree to some form of restrictive easement for the entire acreage if that were compatible and agreeable to the local land owners?

Answer. Yes, the Air Force seeks restrictive easements from the landowners to ensure compatible development.

Question. When do you anticipate the negotiations with land owners will be concluded?

Answer. Negotiations for acquiring the realty interests will begin with landowners after the project is authorized and appropriated. The Air Force plans on proceeding with negotiations to bring to closure each acquisition as soon as possible to minimize any impact that the project may have on the landowner.

Question. Since your request of \$10 million this year is only the first funding increment, what is your outyear plan in terms of costs and what land interests will be obtained?

Answer. In addition to the \$10 million sought in the Fiscal Year 1991 Military Construction Program, the Air Force will seek most of the funding in Fiscal Year 1992 to acquire the needed realty interests. Depending upon the appraised value of the easements and the cost of the realty acquisition, funding will be sought in Fiscal Year 1993 and possibly 1994 to complete the acquisition program.

Question. Can you explain what type of restrictive easements would be compatible with the Vandenberg mission?

Answer. The existing local land use controls in the area of interest limit the number of dwelling units to densities that are compatible with Air Force mission requirements. However, Santa Barbara County does allow, in certain instances, the clustering of the allowable number of dwellings, and this results in unacceptable densities. The restrictive easements to be acquired will preserve the existing allowable development and preclude cluster development.

Question. Would compatible restrictive easements require certain operating requirements on the part of the Air Force such as acceptable launch rates and safety levels?

Answer. The acquisition of restrictive easements would allow the missile launch activities to continue safely without a negative impact on launch operations.

B-2 BEDDOWN

Question. What would be the impact on the Depot Level facilities at Tinker Air Force Base if the procurement of B-2 bombers were drastically reduced in numbers to about 30 planes?

Answer. The depot level maintenance facilities at Tinker could be reduced by only ten to fifteen percent even if the aircraft buy was reduced by seventy-five percent. There are several specialized facilities that would remain in the program regardless of the number of aircraft procured. These facility requirements are based on the types of equipment and systems maintained and not the number of aircraft supported. Initial analysis indicates three projects could be either deleted or reduced in scope at a savings of approximately \$18 million over the FY 92-FY 94 time frame. Further analysis will be necessary to determine depot facility requirements based on final aircraft procurement decision.

Question. What would be the impact on facilities at Whiteman Air Force Base if the number of planes were limited to about 30 planes?

Answer. Whiteman construction to support the B-2 bomber is currently planned based on thirty authorized aircraft for the base. Consequently, there would be little impact on the Whiteman construction program. If the total aircraft buy was reduced to thirty and the total authorized aircraft for Whiteman was less than thirty, then some savings would be realized in hydrant fuel and aircraft dock construction in the FY 94 program. With an aircraft buy of thirty, the training load would be smaller and visiting quarters for students could possibly be reduced. The other facilities as-

sociated with training are already construction complete or nearing completion.

WHOLE HOUSE IMPROVEMENTS

Question. Mr. Boatright, I notice that the Air Force's number one priority is to upgrade the existing housing units to contemporary standards. What is the average cost per unit?

Answer. In FY 91, the average cost is \$48,857 per unit.

Question. How much of this cost would go toward maintenance and repair which otherwise would be required?

Answer. Each project includes concurrent maintenance and repair averaging approximately 68% per project.

Question. What is the average age of existing units and how many units need renovation?

Answer. The average age of the Air Force inventory is 30 years. Of the Air Force's 141,000 units, 80,000 need renovation.

Question. What is your estimate of time to eliminate the backlog?

Answer. At the funding level included in the FY 91 budget, it will take approximately 25 years to eliminate the existing improvement backlog.

Question. How much would this be impacted by the reduction in force structure and base closings?

Answer. The MFH improvement backlog would decrease from 80,000 to approximately 72,000 units if all anticipated changes from base closure and the Defense Management Review occur as planned. This would reduce the buy out period from 25 to approximately 22 years.

Question. How does the budget request for improvements compare with the 1990 level in terms of cost and number of units?

Answer. In FY 90 we requested \$173.3 million to improve 4,066 units, as compared to our FY 91 request of \$173.6 million to improve 3,533 units.

TONOPAH

Question. The Air Force has announced its intention to transfer the fighter wing from Tonopah Research site in Nevada to Holloman Air Force Base, New Mexico. For the record, what are the estimated annual savings for such a move, the estimated payback period, savings as compared to relocating the units to Nellis Air Force Base and total military construction costs to implement the relocation.

Answer. Savings are estimated ——— beginning the year after the unit moves to Holloman AFB. As such, the payback period is two years with MILCON starting at Holloman in FY 91. Moving the unit to Nellis AFB, NV, vice Holloman will require complete new construction to support the unit since existing facilities at Nellis are fully utilized. With the deactivation of the 479 Tactical Training Wing at Holloman in FY 91, facilities exist to support the unit. MILCON is required at Holloman but not on the scale required at Nellis. A facility review was recently completed at Holloman and Nellis Air Force Bases. The results of the survey are not complete at this time, but will be submitted when available.

Question. Do you plan to use Tonopah after the relocation of Wing? If so, how?

Answer. The Air Force plans to use Tonopah as a detachment to Nellis Air Force Base in supporting Red Flag exercises.

Question. Provide for the record the total investment at Tonopah.

Answer. The total investment in Military Construction and facility improvements at the Tonopah Test Site is ———

LACKLAND AIR FORCE BASE, TEXAS

Question. The Air Force is planning for \$100 million in facility construction at Lackland AFB, Texas over 5 years. What impact would force structure reductions have on Lackland since its principal mission is a center for processing officer and enlisted personnel and for basic military training?

Answer. Of the approximately 25 projects associated with the 5 year \$100M program at Lackland AFB, TX, all have been revaluated in view of the possible reduced training loads. None will be impacted with the possible exception of the FY 92 consolidated Headquarters/Academic facility. The direct impact is currently under review and project will be adjusted as applicable. Most of the other projects primarily support base wide activities, which are not impacted by the student training load. There are two student dormitory projects which will not be impacted by any student load changes, since they are the first two of about nine phases. Only the follow on phases could be affected.

ALTER MUNITIONS STORAGE

Question. Last week, General Galvin cited three munitions storage projects in Europe which are not required. Do you expect any of these projects to be funded by NATO in the outyears?

Answer. The three munition storage projects mentioned by General Galvin (RAF Lakenheath, \$4.95 Mil; Ghedi, \$.55 Mil; and Rimini, \$.51 Mil) are all still required. However, FY 91 MILCON funds are not required because NATO has agreed to direct fund these projects.

Question. Will this be the last request for prefinancing of munitions storage projects in Europe? In other words, will NATO agree to directly fund all munitions storage projects after this year?

Answer. FY 91 is the last year that the Air Force will seek MILCON funds for munitions storage projects in Europe. NATO will direct fund projects in the future.

CROTONE, ITALY

Question. This is a policy question. What will be the impact if the Congress denies the use of funds for construction at Crotone—in terms of contractual requirements, host nation support and NATO agreement?

Answer. The decision to retain the 401st TFW in the Southern Region of NATO was supported by NATO Defense Ministers to demonstrate Alliance resolve and cohesion and to ensure the continued presence of this unit in NATO's Southern Region. While the relocation continues to sustain support because of strategic implications and the unit's contribution to stability in the Region, it has

also become the centerpiece of NATO efforts to address equitable sharing of the roles, risks, and responsibilities of Alliance common defense. If Congress denies funding for construction of Crotona, the relocation effort could not continue. From a policy perspective, US abrogation of agreements associated with the relocation would severely impair our leadership position in NATO, Conventional Armed Forces in Europe (CFE) negotiations and our bilateral relationship with Italy.

Within NATO, alliance members would view the US failure to support the relocation effort as a unilateral reduction in force structure reflecting weakened US resolve. Furthermore, other members of the Alliance may follow the US example, abrogate their commitments, and initiate unilateral force reductions that would undermine achievement of an optimum CFR accord.

US failure to support the relocation effort would impact our relationship with Italy, one of the most dependable Allies in the Southern Region. In the extreme, US termination of the 401st relocation could undermine confidence in Prime Minister Andreotti's coalition government. After confirmation that DOD could support the relocation within the Congressionally mandated cap of 360 million dollars, the Italians signed the land expropriation decree. This act reflects a significant commitment to the relocation of the 401st and remains a political liability for the Italian government.

To date, 140 million dollars in NATO infrastructure funds have been committed, obligated or expended for the project. Construction will commence shortly, architecture and engineering contracts have been awarded and therefore, NATO would be liable for termination costs if the US withdrew its support for the relocation.

GRIFFISS AFB, NEW YORK

Question. Last year, we appropriated \$70.6 million for Army projects at Fort Drum that will allow them to vacate Air Force facilities that they have been using at Griffiss AFB. What are your plans for reutilizing these facilities?

Answer. As construction at Fort Drum is finished over the next several years, the Air Force has plans to reutilize the facilities currently occupied by the Army at Griffiss Air Force Base. The Army occupies approximately 100,000 square feet at Griffiss and many of these facilities are some of the best on the base and in good condition. As they move out, the Air Force will relocate functions that are currently deficient in space and are located in substandard facilities. Many of the old World War II vintage buildings on Griffiss, approximately 165,000 square feet, will then be programmed for demolition.

DORMITORIES

Question. The Air Force Fiscal Year 1991 program for dormitories is about 16 percent of the budget as compared to over 20 percent for each of the last three years. Does this reduction have anything to do with possible closures or realignments?

Answer. The reduction is related to two factors. First, base closures and force realignments are having an impact. At those locations where manpower is being reduced, we reevaluated our dorm

requirements. If the reductions reduced those requirements, we adjusted our programs accordingly. Secondly, the need to support new mission requirements reduced our current mission program. That adjustment forced us to realign our dorm program. Our dormitory improvement program still remains one of our highest priorities. Future programs will continue to reflect that priority and we ask for Congress' continued support.

TENNESSEE LANDFILL

Question. What is the current status of the conveyance of a 70 acre parcel of land at Arnold Engineering Development Center, Tennessee, to the Elk River Regional Resource Authority

Answer. By letter, 5 Mar 90, the House Armed Services Committee approved Air Force Disposal Report No. 582. Arnold AFB is currently completing disposal and environmental documentation including environmental clearance certificates. Upon completion, these documents will be forwarded to the Army Corps of Engineers for reporting the property to the General Services Administration for conveyance to TERRA.

Question. Why has the central OTH-B been eliminated?

Answer. During the Department of Defense budget review the projects that support the central region OTH-B radar were taken out of the Air Force program and put in the Department of Defense Counter Narcotics Program. The projects were not eliminated, they are included in another part of the DoD budget.

CANADA: FORWARD OPERATING LOCATIONS [FOLS] AND DISPERSED OPERATING BASES [DOBS]

Question. What is the relationship, if any, between the Canadian FOLs and DOBs, and the range at Goose Bay?

Answer. The FOLs and DOBs program is not related to the Goose Bay training ranges.

Question. What countries—besides Germany—does Canada permit to use Goose Bay? Do these countries have access to the FOLs and DOBs? Do we use Goose Bay?

Answer. Ranges at Goose Bay are used for low level flying training by the Germans, Dutch, British and Canadians. The use of the range and cost sharing is authorized under the Canadian Forces Base, Goose Bay Multi-National Memorandum of Understanding (MMOU). These countries do not have bilateral access to the Canadian FOLs and DOBs. Further, the FOLs/DOBs are not in support of NATO Operations War Plans. The USAF is a signatory to the Goose Bay MMOU but does not participate in low level flying training at the Goose Bay ranges.

RAIL GARRISON DESIGN

Question. Is it correct that the FE Warren design for Rail Garrison basing will be site adapted for any subsequent bases, and that this will be performed in-house by the Corps of Engineers?

Answer. The F.E. Warren AFB Rail Garrison operational and technical facility designs will be site adapted at subsequent bases wherever possible. This includes all the facilities which comprise the Garrison at the base (Garrison Maintenance Facility, Train Alert Shelters, Garrison Alert Security Control Center, Re-entry Vehicle Storage, and Entry Control Facility and physical security system), Missile Operations Facility, Integrated Maintenance Facility, and Training Train Shelter. Facilities that will not be designed by the Corps of Engineers include personnel support facilities, facilities relocated as a result of siting the Garrisons and logistics facilities at Hill AFB and Newark AFB.

NATO ELIGIBILITY

Question. Provide for the record a list of projects that are NATO eligible and are being requested under prefinancing arrangements.

Answer. In the FY 91 program, four NATO eligible projects were requested for prefinancing arrangement. These projects are all weapons storage vaults at RAF Lakenheath, (UK); Rimini and Ghedi Torre (IT) and Incirlik (TU).

Only the Incirlik project remains valid for the FY 91 MILCON program. NATO will direct fund RAF Lakenheath and construction delays on the aircraft shelters requires Rimini and Ghedi Torre to slip to FY 92.

NATO ELIGIBILITY—JOINTLY FUNDED PROJECTS

Question. Provide for the record a list of projects that are jointly funded with NATO funds.

Answer. In the FY 91 MILCON program, there are no conjunctively funded projects.

BIDDING CLIMATE

Question. What is the average number of bidders per project today as compared to several years ago?

Answer. For MILCON project bid openings in fiscal year 1990 (through January 1990), the average number of bids per project has been 6.7. The average number (for the year) of bids per project for MILCON project bid openings in fiscal years 1985 to 1989 have ranged from 6 to 7.

Question. Do you expect to see less or more competitive bidding in the next several years?

Answer. It is difficult to predict the competitiveness of contractor bidding on MILCON projects at any particular time is dependent on the total volume of projects being advertised, each contractor's current workload, and the state of the nation's economy.

PACKAGED CONSTRUCTION CONTRACTS

Question. Provide for the record the list of packaged projects in the fiscal year 1991 budget.

Answer. The following projects in fiscal year 1991 may be packaged:

Whiteman AFB MO:

- Aircraft Apron/Taxiway Upgrade
- Munitions Convoy Road
- Aircraft Maintenance Road
- Hydrant Fuel/Utility System

Shemya AFB AK

- Alter Dormitory
- Renovate Support Facility
- BCE Maintenance Facility
- Vehicle Maintenance Facility
- Flightline Access Road
- Upgrade Base Roads

Maxwell AFB AL

- Judge Advocate General Academic Facility
- Student Dormitory

Gunter AFB AL

- Add to and Alter Senior NCO Academic Facility Student Dormitory.

Question. Can you estimate in percentage terms what the potential savings might be through packaging these projects?

Answer. A potential savings of 5 percent or greater may be realized when projects similar in nature, construction materials, methodologies and location are packaged.

SMALL BUSINESS SETASIDES

Question. What part of your current program goes to Small Business and Minority Business setasides? I assume it is a great portion.

Answer. Seventy-eight percent of FY 89 dollars spent for Air Force construction went to Small Business. Included in the 78 percent was 13.9 percent awarded to Small Disadvantaged (minority) business.

LEASE-PURCHASE OF FACILITIES

Question. What are the Air Force plans for using the new authority provided for lease-purchase of facilities?

Answer. The Air Force has identified a few candidate projects for lease-purchase. Some are projects that were submitted under the 10 USC 2809 Test of Long Term Facilities Contracts but others are new. Feasibility and economic analyses are being conducted to ensure the best economic choices are made. Congressional notification will be made prior to project initiation. One example of a potential lease-purchase project is the large acquisition center (ASD Tomorrow) under evaluation for Wright-Patterson.

MORATORIUM ON CONTRACT AWARDS

Question. Please submit for the record a list of exemption you have requested to date from the Secretary's moratorium on contract awards, and the disposition of these requests.

Answer. The Air Force's request for waivers to the moratorium is being coordinated through the Air Staff. After it is approved by

the Secretary the list will be provided. A list of the approved waivers will also be provided.

Question. What will be the effect of the Secretary's moratorium on your fiscal year 1992 program, by delaying design?

ANSWER. Some fiscal year 1992 projects may not make the design gate due to the moratorium. All projects must be 35 percent designed or meet the new project definition procedure before submission to Congress, and due to late design award it may be difficult to accomplish this.

PROJECTS NO LONGER REQUIRED

Question. Are there any projects requested in the budget that cannot or will not be put under contract in Fiscal Year 1991, due to base closure, bilateral or multilateral negotiations, or other reasons. If so, please provide a list of such projects (including family housing improvement projects).

ANSWER. Yes, there are some projects that will not be contracted due to the above reasons. A complete review of all projects, including family housing improvement, affected is being conducted with an estimated completion date of 16 Apr 90. A list can be provided at that time.

DESIGN LEVEL

Question. Are there are fiscal year 1991 projects that are not at the 35 percent design level?

ANSWER. Fourteen projects do not meet the thirty-five percent design level criteria. These projects include six F-117A projects, four Peacekeeper/Rail Garrison projects, three B-2 projects and one sewage treatment plant project at Spangdahlem AB, Germany.

The F-117A project designs were delayed by the decision made in the recent Defense Management Review process to move the F-117A from Tonopah in FY92. This move was motivated by the large annual savings projected.

The Peacekeeper/Rail Garrison projects were delayed because of the protracted deliberations regarding the final selection of bases. Ten USC 2807 approval was granted in December 1989 but architect/engineer (A-E) contracts could not be awarded prior to the OSD MILCON moratorium.

The B-2 projects are also behind schedule because of questions regarding the overall B-2 program. Ten USC 2807 approval was gained in August 1989, but some of these A-E contracts are on hold pending OSD moratorium relief.

The Spangdahlem AB sewage treatment plant design was held up pending design completion of a host country project to construct the sewage system that will tie to the sewage treatment plant. Design for the sewage treatment plant is now proceeding.

J-6 TEST ROCKET

Question. What is the status of the J-6 Rocket Test Facility project at Arnold Engineering Center in Tennessee?

ANSWER. A contract was awarded on 9 November 1989. The award was immediately protested; the GAO conducted a hearing 22 Feb 90 and their determination is expected by 30 Apr 90. However,

as a result of the hearing, and because further delay in proceeding increases the potential for cost growth, we have submitted a request to the Assistant Secretary of the Army (Research, Development and Acquisition) for authorization to issue a notice-to-proceed notwithstanding the protest.

Question. Has the project been awarded? If not, why not?

ANSWER. The project has been awarded, however because the award was immediately protested, a notice-to-proceed has not been issued pending a final determination by the GAO on the validity of the protest.

Question. The Committee's understanding is that a protest has been filed challenging the award. Is this true? If so, what is the status of the protest?

ANSWER. A protest has been filed challenging the contract award. The GAO held a hearing on the validity of the protest on 22 Feb 90 and a final determination is expected by 30 Apr 90. However, as a result of the hearing, and because further delay in proceeding increases the potential for cost growth, we have submitted a request to the Assistant Secretary of the Army (Research, Development and Acquisition) for authorization to issue a notice-to-proceed notwithstanding the protest.

Question. If the protest is deemed valid what impact would this have on the total cost of the project? Would delay in award increase the cost?

Answer. If the protest is deemed valid it could have further reaching impacts than potential cost increases. The winning contractor has mobilized while awaiting protest determination. As a result the contractor's familiarity with project requirements has improved and dividends are expected during construction execution; several value engineering proposals have already been submitted which could reduce cost or improve execution. If the protest is sustained it will result in at least a two month delay in performance while a new contractor is mobilized to the current level. In addition to an estimated \$15-20 million cost associated with termination of the winning contractor and the \$6.8 million already expended on equipment and other activities not in the contract, inflation in material prices would be anticipated since cost proposals were based upon material prices in the July/August 1989 timeframe. There is a high potential for a cost increase of 4-10% should the notice-to-proceed on this project be delayed beyond 30 April 90.

Question. The Air Force is requesting \$109 million in fiscal year 1991 as the third and final phase of funding, bringing the total to \$225.3 million. How much of the total funding is expected to be obligated in fiscal years 1990 and 1991?

Answer. The full amount in FY90 and FY91 will be obligated in the respective year appropriated.

[CLERK'S NOTE.—End of questions submitted by Chairman Hefner.]

[CLERK'S NOTE.—Questions submitted for the record by Congressman Lowery:]

MORATORIUM

Question. What impact has the Secretary's moratorium had on the Air Force programs?

Answer. The moratorium affects 163 MILCON projects in varying stages of design and/or construction award. The resulting delay will in many cases only prevent the timely completion of the design or construction. However, some projects may be lost. In some instances, the government may be unable to extend bids. Increased costs due to extended bids, actual rebidding, or extended construction times such as in arctic areas could also force projects to be cancelled or delayed until the next fiscal year. Fiscal Year 1992 projects may also be lost. These projects must be 35 percent designed before submission to Congress. Due to late design award it will be difficult to accomplish this and if done only through higher design fees.

NEW MISSION VERSUS CURRENT MISSION

Question. Sixty percent of this year's request is for new mission construction. It concerns me that the Air Force has a 200 year plus facility revitalization rate. General, in your opinion, how can we fix the problem and put a larger emphasis on current mission construction?

Answer. The Air Force is committed to the development of a balanced military construction program; one that supports major weapon system beddowns as well as the repair or replacement of existing facilities. The Air Force's goal is to budget two percent of the plant replacement value to obtain an acceptable facility revitalization rate. While that investment level is still below the rate used by private industry, the realities of budget constraints, the existence of must pay bills, and many equally as important priorities, makes even that level of investment unlikely at this time.

The Air Force continues to look at our facility requirements from a systems perspective, i.e., to use all funding sources (operations and maintenance, military construction, and other funding avenues) to meet our most pressing needs. As the Air Force leadership continues to balance requirements and as the new mission projects begin to be completed, more funding can migrate to current mission projects.

We request Congress' continued support of our current mission MILCON program and our real property maintenance accounts. These programs play a major role in our efforts to increase the emphasis on the revitalization of our existing facilities.

PARAMETRICS

Question. Will you summarize for the subcommittee how parametric design works?

Answer. A Parametric Design is one which is costed using a Parametric Cost Estimating technique. Working with the site characteristics and the user's requirements, a professional Architect-Engineer develops a design plan. Parametric cost estimating is the pricing process that establishes the estimated cost for each building subsystem in this design plan. Historical bid breakouts identify unit quantities and prices for building subsystems. Several years of

collected data on like facilities, adjusted for area cost factors and prevailing wage rates, and to current year dollars, are averaged to establish parametric unit cost values. The aggregation of these subsystem unit costs and quantities constitutes the parametric cost estimate.

Question. What time and cost savings do you anticipate with parametrics?

Answer. The advantage of using a parametric cost estimate for the Budget submittal is that it allows the designer to start design later and work continuously through to completion. This will eliminate the inefficiencies associated with the long delays at 35 percent that occur while the program is being reviewed for submittal. We believe this process will result in a higher quality design. We anticipate some cost avoidance from not designing projects to the 35 percent design point which are ultimately not supported.

Question. Have you had any problems to date with this computer generated design?

Answer. The computer generated cost estimate has proved to be reliable. The correlation of the computer generated parametric and bid opening price is proving its accuracy. The addition of actual bid data in the data base will continue to improve the accuracy.

Question. What interests have the other services expressed in this concept?

Answer. The other services are very interested in the concept. The three services are presently doing a feasibility study to develop a Tri-service Parametric Cost Estimating System.

B-2/WHITEMAN AFB

Question. What is the current schedule for the beddown of the B-2 at Whiteman AFB.

Answer. The major milestones pertinent to B-2 beddown at Whiteman AFB are as follows: We plan the first operational B-2 delivery in FY92; First full rate production delivery in FY94; and Required Assets Available (RAA) date in FY95. After RAA, the Commander in Chief of Strategic Air Command will declare Initial Operational Capability (IOC) when the first B-2 squadron is operational at Whiteman AFB.

Question. What was the reason for cancelling the proposed 801 at Whiteman AFB?

Answer. Budgetary considerations and potential changes in current force structure caused the Air Force to reevaluate the amount of housing needed at Whiteman AFB. In November 1989, the proposed project was reduced from 900 to 675 units. In December 1989, additional force structure changes further reduced the housing requirement. The total impacts of force structure changes under consideration are not fully known thus the Air Force can not predict with accuracy their need for additional housing. Therefore, the solicitation was cancelled on 9 January 1990.

CROTONE, ITALY

Question. What is the latest position of the NATO ministers regarding the relocation of the 401st TFW from Torrejon AB, Spain to Crotone AB, Italy?

Answer. The Defense Planning Committee (DPC) in Ministerial Session on 28 November 1989 approved the burdenshring report entitled, "Progress Report on Enhancing Alliance Collective Security Through Sharing Roles, Risks and Responsibilities." In addition to identifying future burdensharing initiatives, this report noted the substantial progress that had been achieved, including the commitment of NATO Common Infrastructure Program funding to support the relocation of the 401st TFW to Crotone AB, as had been agreed by the DPC in 1988.

Question. There appears to be a movement within Congress that this is the time to close bases, not open new ones. Legislation has been introduced to prohibit the Department from building the air base at Crotone. Based on foreseen closures, do you see any other base in Europe which could become available to house the 401st?

Answer. No. NATO has sought to retain the 401st in the Southern Region for deterrence, force projection and area stability.

Geographically positioned in the center of the Southern Region, Crotone AB offers an optimum location from which to rapidly deploy the assigned 72 F-16s to any location in the Region and the sparsely populated location will not inhibit training. For political reasons, other basing options within the remaining Southern Region nations were not available to support the 401st TFW relocation from Spain. Only the Italians offered to host the 401st, at the request of NATO.

Bases in the Central Region may be physically available for the 401st relocation as US and Alliance members' force structure is reduced in response to the Conventional Armed Forces in Europe (CFE) treaty. However, relocation to the Central Region would not achieve NATO's objectives. Furthermore, CFE limits and political constraints will restrict US presence there. Furthermore, the 401st would retain its Southern Region commitment and would be required to forward deploy for peacetime training and wartime bed-down. The costs of this effort would be significant and training, already a Central Region issue, would be restricted. Consequently, the readiness and combat capability of the 401st TFW would be degraded. Finally and most importantly, any Central Region basing scheme would reduce the unit's visible presence in the Southern Region and would not generate the same level of deterrence that exists now or will exist with the 401st at Crotone.

Question. Last year Congress imposed a cap of \$360 million on the U.S. contribution toward the relocation. How has NATO reacted to this cap?

Answer. During discussions at NATO's Defense Planning Committee (DPC) meeting on 28-29 November 1989, Secretary Cheney informed the Defense Ministers that the U.S. Congress had imposed a funding cap of \$360 million. The allies' response at the DPC was positive as reflected in the DPC Ministerial Communique in which the Defense Ministers "... welcomed the continued funding of the transfer of the 401st Tactical Fighter Wing to Italy, which underlies Alliance cohesion and resolve to maintain its defenses."

Question. When do you expect to attain initial operational capability at Crotone?

Answer. The Italians are in the process of providing a comprehensive design and construction schedule based on the U.S. facility

requirements. The Italian long range planning indicates that sufficient facility construction should be completed for the wing to attain IOC at Crotone perhaps as early as ———

Question. Will it be necessary to house the F-16's at a temporary location since they must be out of Spain by May 1992?

Answer. Yes, the Air Staff is reviewing several proposals that will station the 401TFW aircraft at other overseas bases until Crotone is ready.

VANDENBERG LAND

Question. What is the maximum level of density under our safety standards that can be allowed on the Bixby Ranch property?

Answer. The maximum population density varies with the distance from the launch trajectory. The compatible density level increases eastward from one person per 100 acres of land along the coast to 10 persons per 100 acres of land on the eastern portion of the Bixby Ranch. Current Santa Barbara County zoning (AG-II-320) allows one dwelling unit and one guest house on the Bixby Ranch. However, Bixby Ranch can seek rezoning into an agriculture-residential cluster overlay district which would allow clustering of the allowable dwellings to avoid division of large ranches over 10,000 acres of land down to individual 320-acre tracts.

RAIL GARRISON

Question. How did the Air Force determine which bases would be used to support the Rail Garrison?

Answer. On February 11, 1987, the Air Force announced it had selected 10 installations as candidate locations for the Peacekeeper Rail Garrison system. These were in addition to F.E. Warren AFB, Wyoming, which was selected by President Reagan in December 1986 as the Main Operating Base. From the 10 candidate bases, six installations were selected by the Secretary of the Air Force and announced to the public on November 29, 1989. They were selected based upon operational, budgetary, and environmental considerations. These include access to the national rail network and the physical condition of track, the availability of an existing infrastructure to support strategic and nuclear weapons, the availability of and access to a large dispersal area, potential military construction costs, land availability, the presence of a Strategic Air Command mission or a SAC tenant on the installation, potential environmental impacts and the scope of the measures required to mitigate those impacts, as well as specialized operational considerations.

Question. Has there been any negative response from the public or community officials, or do you anticipate it, at any of the locations?

Answer. The response from the public and/or community officials has been overwhelmingly positive in support of basing the system at their respective installations. Each of the seven installations slated for Peacekeeper Rail Garrison deployment has had a strategic nuclear mission for several decades. The citizens in the area surrounding the installations have supported the installations during this time, and we expect this support to continue. Any nega-

tive response with respect to citizens voicing disagreement over the basing of the Peacekeeper Rail Garrison system at installations in their community have objected primarily from a philosophical point of view, rather than with programmatic or environmental specifics. These individuals and organizations have stated that they are opposed to nuclear weapons in general, and this is their primary concern with regard to deployment of the Peacekeeper Rail Garrison system. Draft and Final Environmental Impact Statements were prepared and publicly released for all 11 installations, and scoping meetings and public hearings were held in the communities adjacent to the installations.

Question. How can the Air Force ensure that a missile train won't derail, collide with other trains or that the missile warheads won't detonate?

Answer. The Air Force can offer the assurance that any movement of the Peacekeeper Rail Garrison system from its garrison installation will be accomplished with tried and true safety procedures in effect. It must be remembered that the trains carrying missiles will leave their respective installations only during a time of national need, such as during an increased alert situation. Trains used for training purposes will not carry nuclear weapons. In all cases, experienced, highly-trained Air Force and civilian personnel will operate the trains. The trains will also be protected by Air Force security personnel who will be aware of all other movements by other trains. A civilian "pilot" will also be on-board each of the trains, and this individual will be experienced and aware of all train traffic in his or her sector. While in transport, it will be physically impossible for the accidental detonation of a nuclear weapon to occur, due to stringent safeguards incorporated in the design of the weapon.

Question. Provide for the record a list of environmental impacts expected at the selected bases.

Answer. A summary of the anticipated significant impacts are as follows. A detailed analysis of all impacts were published in the Final Environmental Impact Statement for the Peacekeeper Rail Garrison System.

1. F.E. Warren AFB, Wyoming: Significant impacts on transportation (moderate impact level) and cultural resources (low impact level).

2. Barksdale AFB, Louisiana: Significant impacts on biological resources (high impact level).

3. Dyess AFB, Texas: Significant impacts on land use (low impact level) and cultural resources (low impact level).

4. Fairchild AFB, Washington: Significant impacts on land use (moderate impact level), biological resources (moderate impact level), and air quality (high impact level).

5. Grand Forks AFB, North Dakota: Significant impacts on air quality (high impact level).

6. Little Rock AFB, Arkansas: No significant impacts.

7. Wurtsmith AFB, Michigan: Significant impacts on socioeconomics (moderate impact level), biological resources (moderate impact level), and water resources (low impact level).

Question. What is the latest estimate for the total cost of rebasing the 50 Peacekeeper missiles to the Rail Garrison mode?

Answer. The total cost for deployment of the 50 Peacekeeper missiles currently housed in silos to the Rail Garrison mode is \$7.13 billion. This includes funding for research and development, procurement, and military construction. The cost to complete the system, based upon funds appropriated in years previous, is \$5.2 billion.

Question. What are the typical facility requirements for the Rail Garrison mode?

Answer. Typical facility requirements at a Rail Garrison installation include: The Garrison which is comprised of a Garrison Maintenance Facility, Trail Alert Shelters, Garrison Alert Security Control Center, Re-entry System Storage, Entry Control Facility and the physical security system. Outside the Garrison there will typically be a Missile Operations Facility, an Integrated Maintenance Facility, a Communication Maintenance Facility and a supporting base rail spur, roads and utilities project.

Question. What is the military construction cost of the rebasing?

Answer. The cost is \$684 million including approximately \$40 million in design costs. Costs are programmed through FY94 as shown below:

Fiscal Year	Million
1989	\$13.2
1990	115.7
1991	268.6
1992	274.1
1993	8.5
1994	3.5

Question. Provide a breakdown of costs of construction at the seven bases.

Answer.

Base	Fiscal year—					
	1989	1990	1991	1992	1993	1994
FE Warren		104.9	5.2			
Barksdale			72.5	4.7		
Grand Forks			68.2	5.4		
Fairchild			96.8	1.2		
Dyess				70.7		
Little Rock				77.2		
Wurtsmith				90.6		
Hill			6.5	17.2	8.5	3.5
Newark				5.1		
Log Center			2.1			
Design	13.2	10.9	14.3	5.0		
Total	13.2	115.7	268.6	274.1	8.5	3.5

Question. What is the sequence for construction at the bases?

Answer. The President's budget submission is based upon the following construction sequence for the seven Rail Garrison installations:

FY90: F.E. Warren AFB WY;
 FY91: Barksdale AFB LA;
 FY91: Grand Forks AFB ND;
 FY91: Fairchild AFB WA;
 FY92: Dyess AFB TX;

FY92: Little Rock AFB AR;
FY92: Wurtsmith AFB MI.

BALLISTIC SYSTEMS DIVISION—NORTON AFB, CA

Question. Has the Air Force made every effort to obey the letter and spirit of the Commission's recommendations as contained in its December 1988 report?

Answer. Since the Commission's recommendations were made public in December 1988, the Air Staff has received numerous requests to retain units in their present location, or to redirect them to realignment locations other than those specified by the Commission. In all instances, the requestors have been told that P.L. 100-526 usage of the word "shall" with regard to closure and realignment actions to be taken by the Secretary provides no discretion to adopt alternate closure or realignment plans. However, the Air Force may retire aircraft and close down units that can no longer be afforded, even though the Commission recommended they be realigned to another location. The Base Closure Commission assumed that all units would continue in existence, but the Base Closure Act does not require they do so. By retiring force structure, savings are generated by not moving aircraft and people, and the associated MILCON at the receiving base is no longer needed.

Question. Why did the Air Force choose to "disestablish" the Ballistic Systems Division (BSD) at Norton AFB as opposed to studying it for closure, realignment or relocation?

Answer. The decision to disestablish the Space Systems Division (SSD) unit at Norton AFB (formerly BSD) was driven by the Defense Management Review (DMR) and is part of the overall Air Force Systems Command (AFSC) restructure. Under the new Program Executive Officer (PEO) structure, management responsibilities will be assigned to the Washington, D.C. area and SSD. The only sensible option was to disestablish the unit and redefine its mission. This restructure will result in greater efficiency of operation. The Air Force is now studying the possibility of moving some of the personnel authorizations and programs included in the new mission. We will fully comply with all statutory requirements, including the National Environmental Policy Act (NEPA) and 10 U.S.C. 2587, before any final decision to realign the Norton SSD function is made.

Question. Why does the point paper accompanying the October 1989 memo of Assistant General Counsel Grant Reynolds indicate that plans to relocate the BSD to Vandenberg had been approved as early as May of 1989?

Answer. The point paper in question was not an attachment to Mr. Reynold's memo, though they may have become stapled together at some point. It was an internally generated AFSC planning document. It had not been approved by the Air Staff, as no decision concerning BSD had been made by the Air Force leadership at that time, nor had any formal recommendation concerning BSD been forwarded to the Office of the Secretary of Defense. During the time period the point paper was written, Systems Command was reviewing numerous basing and units scenarios as part

of the planning process to aid in decisionmaking for the upcoming DMR.

Question. What was driving force behind the Air Force's decision in light of Mr. Reynold's opinion that such an action could be considered "a ruse that could damage the credibility of the Air Force."

Answer. The overall goal of DMR has been to eliminate inefficient, duplicitous functions and to consolidate similar functions at fewer locations. Consolidation of some BSD functions with SSD and proposals to study a more efficient plan for accommodating them are consistent with these principles. Mr. Reynold's statement is quoted out of context. He pointed out that "strict adherence to the rules and procedures for base realignments, including the funding aspects, in the absence of the Base Closure and Realignment Act will be necessary. *Otherwise*, this decision will be considered a ruse that will damage the credibility of the Air Force." (underlining added) The Air Force will fully comply with NEPA and 10 U.S.C. 2687, the statutes that apply in the absence of relief legislation like the Base Closure and Realignment Act. Should a decision to realign the Norton SSD functions be reached after complying with these statutes, it would not be a "ruse" but a legitimate use of administrative decision-making authority.

Question. Why has the Air Force chosen to ignore the general opinion that all actions described in the Commission's report must be carried out without any change?

Answer. The Commission report did not freeze the future force structure of the Air Force, though at the time neither DOD nor the Congress realized how much change budgetary constraints would soon require. DMR required a reexamination of the acquisition organizational structure. In the process, it became apparent that some organizations were no longer needed in their current forms. BSD is one of these. It is being organizationally merged with a larger entity, Space Systems Division (SSD). In turn, SSD is under intensive study to determine where its components can best be located. The Norton SSD components may stay at Norton, or they may be moved. Since these components were *not* either closed or realigned by the Commission report, any future proposal to close the SSD Norton operation will fully comply with the NEPA and 10 U.S.C. 2687, without benefit of any of the exception or waivers in the Base Closure and Realignment Act.

Question. What exactly does it mean when it is stated that the Space Systems Division (SSD, in Los Angeles will assume program management responsibility when the Ballistic Systems Division (BSD) is disestablished? Does that mean that civilian employees at the division will be moved to SSD or Vandenberg? Does this anticipate reductions in force?

Answer. The new PEO structure will cause drastic changes in the acquisition and test areas of AFSC. One of these changes is that SSD will directly oversee some activities of the SSD unit at Norton AFB. Rather than having that unit report to an intermediate level, such as the former Space and Missile Test Organization (SAMTO) at Vandenberg, it will report directly to HQ SSD. An implementation plan for relocation has not been formalized at this time. Currently, AFSC, SSD, and Headquarters Air Force are studying a number of bases for relocation of SSD. Title 10 U.S.C.

2687 evaluations will be submitted with the Air Force FY 92 President's Budget for Congressional review if the decision is made to relocate personnel that were previously assigned to BSD at Norton AFB. The current Air Force policy is to avoid a reduction in force.

[CLERK'S NOTE.—End of questions submitted by Congressman Lowery.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Alexander.]

Question. In the Administration's January 29 announcement of potential base closings and realignments, a number of bases and installations were identified as gaining missions, equipment, and/or personnel. Is there any funding, of any type, in this Fiscal Year 1991 budget proposal that is associated with military construction which would be required in response to any or all of the potential base closings or realignments?

Answer. Yes, there is \$11 million dollars in the FY 91 budget to begin the move of the F-117 from Tonopah, AB, Nevada.

FUNDING FOR PROJECTS

Question. If so, please identify each project and the funding associated with it, including planning and design funding.

Answer. The following projects have been identified to start the F-117 move to Holloman.

	Million
Alter Squadron Operations Facility	\$2.0
Flight Simulator Training	3.4
ADD/Alter Fuel System Maint Dock	2.20
Conventional Munitions Shop	.95
Alter Avionics Shop	.85
Munitions Storage Facility	1.60
	11.0

RECOMMENDATIONS FOR STUDY OF BASES

Question. In connection with the military bases identified as potential subjects for closure, Secretary Cheney has repeatedly pointed to the Secretaries of each of the military services as being the source of the recommendations on individual bases.

Before making his recommendations of bases for study for closure, did the Secretary of the Air Force ask for recommendations from the various Air Force commands?

If so, were there any bases on the list the Secretary of the Air Force sent to the Secretary of Defense which were not recommended by the command of which the base is a part?

Answer. Selecting bases as candidates for closure was an iterative process involving the cooperative efforts of the major air commands the Air Staff, and the Secretariat. The final list of bases being studied as closure candidates was developed with the consensus of these groups.

Question. Who made, when did they make, and what degree of detail was contained in the analyses, assessments and/or evaluations used by the Air Force Secretary as a basis for identifying the Air Force bases recommended to the Secretary of Defense as potential targets for closure?

Answer. In an iterative process, the Air Force selected its list of bases to be studied for closure. This process was conducted during the October through December time frame and involved the cooperative efforts of the major commands, Air Staff, and Secretariat. Detailed studies are being performed on the closure candidates as required by Title 10 U.S.C. Section 2687. The results of these analyses will be provided to Congress with the FY 92 President's Budget for those bases which the Air Force and Secretary of Defense decide to close.

[CLERK'S NOTE. —End of questions submitted by Alexander.]

[CLERK'S NOTE.—Questions for the record submitted by Congressman Kolbe.]

JOINT USE OF HOSPITAL

Questions. There is an interest in Tucson for a joint use hospital to be shared by the Air Force and the Veterans Administration; in terms of cost saving this seems to make sense. Can you tell me what the Air Force position is on a joint use hospital in Tucson?

Answer. The Air Force supports the joint use hospital in Tucson. A Concept of Operations for the venture was signed by Brigadier General Robert A. Buethe, Jr., Command Surgeon, Tactical Air Command, and Mr. Richard Miller, Regional Director, Southwest Region, Department of Veterans Affairs, on 24 January 1990. The Concept of Operations is similar to the proposed joint venture in Las Vegas, Nevada.

Question. Are you currently negotiating on this with the VA?

Answer. Yes, we have arrived, as mentioned above, at the point of signing a Concept of Operations which itself clears the way for the planners and concept architects to start detailed planning of the project.

Question. The current VA facility Kino Hospital, is not considered appropriate and has been dropped as a possible site. Instead, the plans center around building a new hospital on VA grounds. This would entail quite a drive from Davis-Monthan. Who would be allowed to continue use of the D-M facilities?

Answer. As we understand, it is correct that Kino Hospital has been dropped from the plan in favor of the main VA Hospital campus in Tucson. With the main VA Hospital campus being 8 road miles from Davis-Monthan Air Force Base the implementation plan for this total project includes modification and upgrade of the existing Davis-Monthan Hospital to serve as an ambulatory treatment center. This facility would provide basic medical services to base flightline personnel, active duty personnel, and dependents living on the base proper. Health services planned for location in the base medical facility will include Aerospace Medicine, Bioenvironmental Engineering, and Environmental Health and General Dentistry. Primary care on Davis-Monthan will include Urgent Care, Laboratory, Pharmacy, Radiology, Physical Therapy, Medical Readiness, War Reserve Materiel and logistical support for these activities.

Question. Would emergencies still be served on base for all emergency situations?

Answer. Aerospace Medicine and Urgent Care Clinics will maintain emergency response, treatment and transportation capability to support air and ground emergencies on Davis-Monthan Air Force Base proper. A Level III emergency room will be operated by the Air Force in the joint use hospital on the VA campus. Emergency cases beyond the capability of the on-base ambulatory treatment facility will be transported to the Emergency Room at the joint use hospital for further care.

Question. Retirees in Tucson object to utilizing a VA facility. How do you work around this bias? Do you have separate, Air Force run, admissions, billing and other administrative facilities?

Answer. Yes. The services mentioned will be available separately to serve the different beneficiary populations using the joint facility. A new, modern health care complex operated jointly by the Air Force and VA would be able to provide greatly enhanced services to both beneficiary populations much more efficiently than in either of the existing facilities. Services in the new facility will be separated with the Air Force providing ambulatory services to its beneficiaries and operating admissions, billing, administration and its own inpatient units in the bed tower. Patients will be referred between agencies for services when the patients' needs exceed the capability of the agency providing primary service. For example, the VA will operate medical and surgical specialty beds, such as Medical Intensive Care Unit (ICU) and Surgical (ICU). Air Force beneficiaries would be admitted to these units when their care required that service. Even when this was the case, each agency would maintain some control and supervision over the care of their patients. By advertising the distinct advantages of the VA and Air Force sharing facilities, including saving the government money and also increasing direct medical capability without any decrease in retiree access or service, this arrangement should be satisfactory to all.

Question. What budget year would you anticipate requesting authorization and funds for this?

Answer. To the best of our knowledge, the VA will obtain funding in Fiscal Year 1993. Since the projects are interdependent, this would mean Air Force funding will be necessary in a year as close as possible to that of the VA.

[CLERK'S NOTE.—End of questions submitted by Congressman Kolbe.]

EXTENTION OF MORATORIUM

[CLERK'S NOTE.—The following memorandum was issued subsequent to the hearings.]



THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

April 30, 1990

MEMORANDUM FOR: DEPUTY SECRETARY OF DEFENSE
SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Revision of Military Construction Plans

After consideration of the revised plans for Military Construction submitted in response to my memorandum of January 24, 1990, I conclude that significant opportunities exist to reduce the cost and size of the future infrastructure for the Department of Defense in response to changes in the world situation and increasing constraints on resources available for national defense. Accordingly, I direct as follows:

1. Extension of Military Construction Moratorium. The moratorium on military construction that I established by memorandum of January 24, 1990 is extended through June 15, 1990 on the same terms and conditions, including the authority of the Deputy Secretary to grant exceptions to meet urgent requirements, as are specified in that memorandum.
2. Rescissions. The Deputy Secretary of Defense shall review the military construction plans of the Department of Defense to determine which proposed military construction projects merit cancellation and shall submit to me by June 1, 1990 a proposal for rescission of funding for such projects. The review shall include, but not be limited to, projects listed as candidates for rescission in the attachment to this memorandum. In determining whether to propose a project for cancellation, the Deputy Secretary shall take into account the impact of approved and potential Defense Management Report Decisions, base closures and realignments, changes in the force structure and disposition of the armed forces, increasing fiscal constraints on resources available for national defense, and any other matters that affect the Department's need for military construction.
3. Additional Limitations on Architectural and Engineering Design Services. The Secretaries of the Military Departments and the Directors of the Defense Agencies shall not award a contract, or exercise an option under an existing contract, for architectural and engineering design services, except with the approval of the Deputy Secretary of Defense to meet urgent requirements, if:
 - a. the project is in Europe;
 - b. the project is in the United States at a defense facility that is the object of a net reduction of personnel under the Base Closure and Realignment Act (Public Law 100-526); or
 - c. the project is in the United States at a defense facility that is potentially the object of a net reduction of personnel as a candidate for closure or realignment as announced on January 29, 1990.

The Under Secretary of Defense for Acquisition may issue such instructions as may be necessary to implement this memorandum.

ATTACHMENT

1

FY 1989 AND PRIOR YEAR PROJECTS

RESCISSION CANDIDATES

(\$ Thousands)

ARMY MILITARY CONSTRUCTION

FY 1985 Barracks Modernization, Argyroupolis GR	660
FY 1985 Barracks Modernization, Perivolaki GR	660
FY 1986 Flight Simulator Bldg, Wiesbaden GE	2,900
FY 1986 IRGTS Ranges, Erlangen GE	2,850
FY 1986 Hardstand Pol, Hanau GE	1,850
FY 1987 ADP Center, Rheinberg GE	150
FY 1987 Commo Center, Rheinberg GE	300
FY 1987 UPH w/Dining, Rheinberg GE	10,500
FY 1987 Range Complex, Mannheim GE	2,450
FY 1987 Acft Maint Hangar, Bidingen GE	7,100
FY 1987 Dining Facility, Giessen GE	2,100
FY 1987 Tac Equip Shop, Hanau GE	3,700
FY 1988 CDC, Rheinberg GE	1,050
FY 1988 Maint Facility, Phase I, Rheinberg GE	8,300
FY 1988 Utility Upgrade, Rheinberg GE	7,600
FY 1988 CDC, Haineburg GE	2,250
FY 1988 Tac Shop, Vilseck GE	5,700
FY 1988 Tac Equip Shop Org, Wiesbaden GE	2,250
FY 1988 Maint Hangar Avum, Wiesbaden GE	14,000
FY 1988 Opns Bldg Mod, Stuttgart GE	5,400
FY 1988 Trng Exercise Fac, Kaiserslautern GE	5,900
FY 1988 Range Mod, Various Locations GE	15,000
FY 1988 Hardstand, Hanau GE	1,300
FY 1989 Industrial Ops Fac, Rheinberg GE	6,600
FY 1989 Physical Fitness Center, Rheinberg GE	5,800
FY 1989 Fac Mod, Kirchgoens GE	6,300
FY 1989 Unacc Pers Housing, Vilseck GE	1,050
FY 1989 Utility Upgrade, Mainz GE	7,700
FY 1989 Maint Hangar Avum, Wiesbaden GE	8,800
FY 1989 Ammo Igloos, Mainz GE	1,850
FY 1989 CDC, Ray Barracks GE	1,395
FY 1989 Opfor Vehicle Sheds, Wiesbaden GE	9,400
FY 1989 Maint Hangers, Giebelstadt GE	18,000
FY 1989 Tact Equip Shop, Wiesbaden GE	2,250
FY 1989 Acft Maint Pk, Pinthen GE	10,000
FY 1989 CDC, Patch Barracks GE	3,350
FY 1989 Child Development Center, Hohenfels GE	1,550
FY 1989 Child Care Center, Taegu KO	990
FY 1989 Consolidated Maint Fac Mod, Tooele Depot UT	37,000
TOTAL	226,005

ARMY FAMILY HOUSING CONSTRUCTION

FY 1987 New Construction, Krailsheim GE	3,200
FY 1988 New Construction, Bamberg GE	11,200
FY 1988 New Construction, Baumholder GE	12,600
FY 1988 Attic Conversions, Wiesbaden GE	3,139
FY 1988 Improvements to Housing, Wiesbaden GE	4,264
FY 1989 New Construction (88 units), Hohenfels GE	8,400
TOTAL	42,803

NAVY MILITARY CONSTRUCTION

FY 1989 Pier Mods, NS Treasure Island CA	3,330
FY 1989 Mess Hall, NS Treasure Island CA	<u>1,670</u>
TOTAL	5,000

AIR FORCE MILITARY CONSTRUCTION

FY 1988 War Readiness Materials, Suwon KO	650
FY 1988 Unaccompanied Enl Pers Housing, Zweibrucken GE	1,850
FY 1988 Unaccompanied Enl Pers Housing, Zweibrucken GE	2,650
FY 1989 Rapid Runway Rep, Equip Warehse, Zweibrucken GE	520
FY 1989 Add to Flight Sim, Luke AFB AZ	1,900
FY 1989 Land Acquisition (C-17), Altus AFB OK	2,300
FY 1989 Large Rocket Test Facility (Phase I), AEDC TN	44,000
FY 1989 Spec Activity Fac, Andersen AFB Guam	2,800
FY 1989 Spec Support Fac, Andersen AFB Guam	1,900
FY 1989 Team Spirit Shave, Osan AB KO	<u>75</u>
TOTAL	58,645

AIR FORCE FAMILY HOUSING CONSTRUCTION

FY 1986 New Construction (400 units), Ramstein GE	26,200
FY 1988 Enlarge Storage/Ut, RAF Greenham Common UK	1,941
FY 1988 Improve Wherry Hsg, Eaker AFB AR	175
FY 1988 Install Fireplaces in SOQs, WPAFB OH	56
FY 1989 Housing Community Plan, Bergstrom AFB TX	115
FY 1989 Housing Community Plan, Eaker AFB AR	60
FY 1989 Upgrade MFH, Phase 1/6, Myrtle Beach AFB SC	4,139
FY 1989 Housing Community Plan, Myrtle Beach AFB SC	115
FY 1989 Improve SOQ, Andersen AFB Guam	167
FY 1989 Improve Fam Housing, Andersen AFB Guam	<u>8,000</u>
TOTAL	40,968

DEFENSE MEDICAL SUPPORT ACTIVITY CONSTRUCTION

FY 1989 Hospital Addition/Alteration, Lakenheath UK	37,982
FY 1989 Composite Medical Facility, Hahn GE	18,500
FY 1989 2nd Echelon Medical Fac, Geile AFB GE	450
FY 1989 Comp Medical Facility, Hahn AFB GE	2,719
FY 1989 2nd Echelon Medical Fac, Spangdahlem AFB GE	<u>700</u>
TOTAL	60,351

DOD DEPENDENT SCHOOLS CONSTRUCTION

FY 1989 Elementary School, Bad Kissingen GE	1,620
FY 1989 Elementary School, Gelenhausen GE	1,482
FY 1989 Middle School, Giessen GE	2,197
FY 1989 High School, Giessen GE	5,430
FY 1989 AFCENT Elem and High School, Brunssum NL	1,980
FY 1989 Elem and High School, Pusan KO	<u>9,450</u>
TOTAL	22,159

TOTAL OF FY 1989 AND PRIOR YEARS

455,931

FY 1990 CONUS PROJECTS

RESCISSION CANDIDATES

(\$ Thousands)

ARMY MILITARY CONSTRUCTIONPROJ COSTALABAMA

Applied Instruction Facility, Ft McClellan	2,750
Laboratory Facility Addition, Redstone Arsenal	17,500

CALIFORNIA

Automated Record Fire Range, Ft Ord	2,450
Microwave/Radar Maint Pac, Sacramento Army Depot	3,900

ILLINOIS

Barracks Mod w/Dining Facility, St Louis	3,750
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KENTUCKY

Physical Fitness Training Center, Ft Knox	5,420
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MARYLAND

ADP Facility Addition, Aberdeen Proving Ground	1,700
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TEXAS

Barracks Modernization, Ft Hood	11,200
Battalion Headquarters, Ft Hood	2,800
Vehicle Wash Facility, Ft Hood	7,000
Central Dist Ctr-III, Red River Army Depot	39,000

NAVY MILITARY CONSTRUCTIONALABAMA

Mess Hall, NS Mobile	880
Physical Fitness Facility, NS Mobile	2,220
Site Improvement Mitigation, MS Mobile	865

CALIFORNIA

Bachelor Enlisted Quarters, NAF El Centro	7,200
Child Care Center, NAS Moffett Field	1,000
Water Supply System, PWC San Francisco	3,550
Missile Engagement Simulation Arena, China Lake	17,500

CONNECTICUT

Electromagnetic Systems Laboratory, NSS New London	12,600
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DISTRICT OF COLUMBIA

Laboratory Expansion, Washington Naval Observatory	2,500
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MISSISSIPPI

General Warehouse, NS Pascagoula	1,110
Bachelor Enlisted Quarters, NS Pascagoula	3,940
Magazines, NS Pascagoula	3,140
Physical Fitness Facility, NS Pascagoula	2,220

MISSOURI

USMC Finance & Data Processing Ctr, Kansas City	10,000
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NEW YORK

Bachelor Enlisted Quarters, NS New York	4,600
Child Care Center, NS New York	3,000
Utilities and Site Improvements, NS New York	18,040
Land Acquisition, NS New York	3,000

PENNSYLVANIA

Hazardous and Flammable Storehouse, Phil Naval Shipyd	10,000
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TEXAS

Bachelor Enlisted Quarters, NS Ingleside	6,200
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Explosive Ordnance Disposal Fac, NS Ingleside	1,000
General Warehouse, NS Ingleside	4,300
Magazines, NS Ingleside	910
Physical Fitness Facility, NS Ingleside	4,870
Public Works Complex, NS Ingleside	2,440
<u>VIRGINIA</u>	
Child Care Center, NSWC Dahlgren	1,000
<u>NAVY FAMILY HOUSING CONSTRUCTION</u>	
<u>CALIFORNIA</u>	
Family Housing (74 units), NAS Moffett Field	6,600
New Construction (344 units), San Francisco	28,350
<u>NAVY RESERVE</u>	
<u>MASSACHUSETTS</u>	
Control Tower Facility, NAS South Weymouth	2,350
<u>MICHIGAN</u>	
Reserve Center Rehab, NAF Detroit	1,000
<u>AIR FORCE MILITARY CONSTRUCTION</u>	
<u>ALABAMA</u>	
Add to Software Dev Fac-PH III, Gunter AFB	6,400
<u>ARIZONA</u>	
ADAL Sqdn Ops For, Luke AFB	807
Dormitory, Luke AFB	3,200
Munitions Storage Igloos, Luke AFB	770
A-10 Add to/Alter A/C Engine Shop, Davis-Monthan AFB	2,000
Aircraft Maintenance Dock, Davis-Monthan AFB	2,200
Traffic Management Complex, Davis-Monthan AFB	4,000
Relocate US Customs, Davis-Monthan AFB	950
<u>ARKANSAS</u>	
Civil Engineering Shop Facility, Eaker AFB	2,700
Munitions Convoy Roads, Eaker AFB	500
Water Well and Storage Tank, Eaker AFB	850
<u>CALIFORNIA</u>	
Alert Crew Facility, Beale AFB	3,100
Dormitory, Beale AFB	5,600
U2R-Weather Shelter, Beale AFB	3,522
Upgrade Alert Complex, Beale AFB	1,250
<u>FLORIDA</u>	
Add to Computer Services Center, Eglin AFB	9,900
<u>MASSACHUSETTS</u>	
Upgrade Geophysics Laboratory, Hanscom AFB	5,600

OKLAHOMA

Integrated Support, Tinker AFB	17,000
Secure Storage, Tinker AFB	3,200
Avionics Facility, Tinker AFB	9,600

SOUTH CAROLINA

Add to and Alter Acft Maint Facs, Myrtle Beach AFB	2,350
ADAL Field Training, Charleston AFB	1,900
Shortfield Assault Strip, Charleston AFB	2,750

TENNESSEE

Large Rocket Test Facility (Phase II), AEDC	66,000
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TEXAS

Child Development Center, Bergstrom AFB	2,400
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AIR FORCE FAMILY HOUSING CONSTRUCTIONARKANSAS

Improvements to Family Housing, Eaker AFB	475
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TEXAS

Improvements to Family Housing, Bergstrom AFB	149
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DEFENSE MEDICAL SUPPORT ACTIVITY CONSTRUCTIONTEXAS

Medical/Dental Clinic, Ingleside	2,300
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TOTAL CONUS CONSTRUCTION

427,328

FY 1990 OVERSEAS PROJECTS

RESCISSION CANDIDATES
(\$ Thousands)

	<u>PROJ COST</u>
<u>ARMY MILITARY CONSTRUCTION</u>	
<u>GERMANY</u>	
Child Development Center, Ansbach	2,900
Electrical Power System Upgrade, Augsburg	600
Multi-Purpose Training Range, Grafenwoehr	6,500
Aircraft Parking Apron Refueling Facility, Hanau	8,300
Helicopter Parking Apron, Hanau	6,500
Class I Warehouse Addition/Modernization, Hohenfels	3,550
Fuel Storage Facility, Hohenfels	1,800
Training Support Center, Hohenfels	1,450
Unaccompanied Personnel Housing, Hohenfels	3,150
Aviation Unit Maintenance Hangar, Mainz	12,000
Aviation Unit Maintenance Hangar, Mainz	14,400
Command Center Modernization, Stuttgart	9,400
Wartime Host Nation Support, Various Sites	4,150
Battalion Headquarters, Vilseck	1,900
Post Office, Vilseck	1,300
Ammunition Storage, Wuerzburg	1,400
Helicopter Parking Apron, Wuerzburg	10,600
<u>TURKEY</u>	
Recreation Center, Location 276	1,950
<u>ARMY FAMILY HOUSING CONSTRUCTION</u>	
<u>OVERSEAS VARIOUS</u>	
Construction Improvements, Various Locations	8,100
<u>ARMY RESERVE CONSTRUCTION</u>	
<u>GUAM</u>	
Add/Alter Army Res Ctr/New Storage Bldg, Apra Heights	957
<u>NAVY MILITARY CONSTRUCTION</u>	
<u>GUAM</u>	
Mess Hall, Camp Covington	4,300
Municipal-Sewer Connection, PWC	4,150
<u>JAPAN</u>	
Combat Arms Trainer, Camp Butler	3,200
Tactical Support Van Pads, Futenma	5,500
Maintenance Eanger Addition, Futenma	1,950
<u>SPAIN</u>	
Child Development Center, NS Rota	1,900
<u>NAVY FAMILY HOUSING CONSTRUCTION</u>	
<u>CUBA</u>	
New Construction (120 units), Guantanamo Bay	15,000
<u>OVERSEAS VARIOUS</u>	
Construction Improvements, Various Locations	11,037

AIR FORCE MILITARY CONSTRUCTIONGERMANY

Antenna Support Structure, Hahn AB	2,500
Lantirn Maintenance Facility, Hahn AB	220
Training/Software Maintenance Fac, Hahn AB	1,400
Combat Repair Equipment Storage Fac, Sembach AB	1,250
Combat Repair Equip Storage Fac, Spangdahlem AB	1,250
Add/Alter Sewage Treatment Fac, Zweibrucken AB	4,950
Passive Defense Equip Storage Fac, Zweibrucken AB	1,150

GUAM

Alter Dormitory, Andersen AFB	6,500
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ITALY

Transient Dormitory, San Vito AS	2,750
Alter Munitions Storage Facility, Aviano AB	1,300
Munitions Storage Igloos, Aviano AB	950

PORTUGAL

Combat Repair Equipment Storage Fac, Lajes Field	1,600
Hydrant Fueling System, Lajes Field	6,100

TURKEY

Dormitory, Erhac	2,750
Combat Repair Equipment Storage Fac, Incirlik AB	1,100

UNITED KINGDOM

Conventional Munitions Shop, RAF Alconbury	1,300
Add to/Upgrade Fire Station, RAF Bentwaters	1,250
Alter Munitions Storage Facility, RAF Bentwaters	2,450
Digital European Backbone Facility, RAF Fairford	1,350
Alter Munitions Storage Facility, RAF Upper Heyford	1,000

OVERSEAS CLASSIFIED

F-15E Add to and Alter Flight Simulator Facility	740
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AIR FORCE FAMILY HOUSING CONSTRUCTIONGERMANY

New Construction (200 units), Ramstein AB	18,722
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OVERSEAS VARIOUS

Construction Improvements, Various Locations	61,656
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DOD DEPENDENT SCHOOLS CONSTRUCTIONBERMUDA

Elementary School	4,810
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GERMANY

Edwards Elementary School, Frankfurt	7,101
Elementary School Addition, Grafenwoehr	4,186
Elementary School Addition, Hohenfels	7,177
Middle/High School Addition, Hohenfels	9,902

UNITED KINGDOM

Elementary School, Bicester	6,275
Elementary School Addition, Upwood	4,175

OVERSEAS VARIOUS

Hot Lunch Facilities, Various Locations	6,600
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NATIONAL SECURITY AGENCY FAMILY HOUSING CONSTRUCTIONOVERSEAS CLASSIFIED

Classified Project (3 Units)	400
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TOTAL OVERSEAS CONSTRUCTION**322,808****SUMMARY BY ACCOUNT**

ARMY MILITARY CONSTRUCTION	91,850
ARMY FAMILY HOUSING	8,100
ARMY RESERVE CONSTRUCTION	957
NAVY MILITARY CONSTRUCTION	21,000
NAVY FAMILY HOUSING	26,037
AIR FORCE MILITARY CONSTRUCTION	43,860
AIR FORCE FAMILY HOUSING	80,378
DOD DEPENDENT SCHOOLS	50,226
FAMILY HOUSING, NATIONAL SECURITY AGENCY	400
TOTAL	<u>322,808</u>

[CLERK'S NOTE.—Analysis of Rescission Candidates.]

	<i>In Thousands</i>
FY 89 and prior year projects	\$455,931
FY 90 U.S. projects	427,328
FY 90 overseas projects	322,808
Subtotal.....	1,206,067
Amounts received in FY 90 supplemental	146,407
Total	1,059,660

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